

The NATIONAL UNDERWRITER



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

GENERAL REINSURANCE CORPORATION

Financial Statement, December 31, 1955

ASSETS

Cash in Banks and Office	\$ 4,259,218
Investments:	
United States Govern- ment Bonds	\$20,239,433
Other Bonds	28,394,035
North Star Reinsurance Corporation Stock	13,782,999
Other Preferred Stocks	4,990,310
Other Common Stocks	23,105,471
Total	90,512,248
Premium Balances in Course of Collection (not over 90 days due)	1,807,115
Accrued Interest	358,804
Other Admitted Assets	142,749
Total Admitted Assets	\$97,080,134

LIABILITIES

Reserve for Claims and Claim Expenses . . .	\$36,409,598
Reserve for Unearned Premiums	13,643,441
Funds Held under Reinsurance Treaties . . .	2,936,062
Reserve for Commissions, Taxes and Other Liabilities	6,051,448
Capital	\$ 6,600,000
Surplus	31,439,585
Surplus to Policyholders	38,039,585
Total	\$97,080,134

Securities carried at \$5,649,593 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks, including those owned by North Star Reinsurance Corporation, were valued at market quotations, Surplus to Policyholders would be \$37,006,674.

Casualty • Fidelity • Surety
Accident & Health

NORTH STAR REINSURANCE CORPORATION

Financial Statement, December 31, 1955

ASSETS

Cash in Banks and Office	\$ 2,477,084
Investments:	
United States Govern- ment Bonds	\$12,548,689
Other Bonds	10,267,026
Preferred Stocks	3,347,450
Common Stocks	3,206,299
Total	29,369,464
Premium Balances in Course of Collection (not over 90 days due)	1,672,766
Accrued Interest	145,464
Other Admitted Assets	567,374
Total Admitted Assets	\$34,232,152

LIABILITIES

Reserve for Claims and Claim Expenses . . .	\$ 3,329,969
Reserve for Unearned Premiums	13,930,303
Funds Held under Reinsurance Treaties . . .	322,221
Reserve for Commissions, Taxes and Other Liabilities	2,833,065
Capital	\$ 1,300,000
Surplus	12,516,594
Surplus to Policyholders	13,816,594
Total	\$34,232,152

Securities carried at \$579,862 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks were valued at market quotations, Surplus to Policyholders would be \$13,382,185.

Fire • Inland Marine
Ocean Marine

Home Office: 90 JOHN ST., NEW YORK 38, NEW YORK
Midwestern Department: 1012 BALTIMORE BLDG., KANSAS CITY 5, MO.

THURSDAY, MARCH 22, 1956

Pioneers in multiple line underwriting



30TH ANNUAL STATEMENT

DECEMBER 31, 1955

ASSETS

Cash in Banks	\$ 2,206,304.06
U. S. Government Bonds	3,283,885.39
State, County and Municipal Bonds	9,400,279.15
Other Bonds	213,279.77
Stocks	15,309,018.89
Real Estate	108,003.00
Agents' Balances Receivable	2,412,130.08
Premium Notes Receivable	911,088.19
Accrued Interest	106,930.06
Other Assets	142,855.20

Total Admitted Assets . . . \$34,093,773.79

LIABILITIES

Reserve for Losses and Claims	\$ 1,574,113.00
Special Reserve for Liability Claims	4,237,040.58
Reserve for Unearned Premiums	13,209,437.19
Reserve for Taxes	946,561.38
Reserve for Other Liabilities	334,380.69
Reserve for Contingencies	1,000,000.00
All Other Liabilities	63,513.41
Capital	2,000,000.00
Surplus	10,728,727.54

Total \$34,093,773.79

Policyholders' Surplus { December 31, 1955 \$13,728,727.54
December 31, 1954 \$11,599,642.91



ORGANIZED JANUARY 26, 1926

	ADMITTED ASSETS	POLICYHOLDERS' SURPLUS	NET PREMIUMS WRITTEN
1930 . . .	\$ 4,863,769	\$ 2,663,701	\$ 2,799,973
1935 . . .	4,169,217	1,937,163	2,708,004
1940 . . .	6,824,692	2,457,267	4,595,504
1945 . . .	11,121,345	3,474,877	6,204,027
1950 . . .	21,397,212	5,459,491	14,920,099
1955 . . .	34,093,774	13,728,728	18,109,860

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Chairman of the Board

GORDON S. YEARGAN
President

Trinity Universal Insurance Company
DALLAS TEXAS

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There's a right and a wrong way to buy automobile insurance—or any other kind of property insurance. It's better, safer, and cheaper to know in advance . . . before you have had an accident . . . that you have good insurance, solid protection.

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ORGANIZED 1853

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A stock company represented by over 40,000 independent local agents and brokers

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This ad tells them that the right man is YOU. It tells them why. It can direct good automobile business to your agency—if you cooperate.

Another expert—ready to assist your agency in any way he can—is your Home fieldman. Just call on him.

Insurers Report Progress in Plans for Atomic Cover

Make Headway on Rating, on Capacity, and on Other Preliminary Difficulties

A progress report has been issued by the insurance study group which reported to atomic energy commission last June 15 on the insurance problems in connection with peacetime uses of atomic energy. The new report states that substantial progress has been made in dealing with the problem of high limits of liability being sought, some of the preliminary difficulties in writing the coverage have been disposed of, and some headway has been made on rating.

The committee consists of Kenneth E. Black, president of Home; Donald H. Burr, secretary of Aetna Casualty; Percy Chubb 2nd, president of Federal; Charles J. Haugh, vice-president of Travelers; Manning W. Heard, 1st vice-president and general counsel of Hartford Accident; A. B. Jackson, president of St. Paul F.&M.; H. C. Jones, president of Arkwright Mutual Fire; A. L. Papenfuss, vice-president of Employers Mutual Liability; M. B. Weber, vice-president of Lumbermens Mutual Casualty, and H. W. Yount, vice-president of Liberty Mutual.

While the primary problem has been the abnormally large amounts of liability insurance being sought because of the high aggregate dollar amount of claims which might arise in the event of a catastrophe, additional complications also arise in connection with the numbers of possible insurable interests which may be involved in each atomic energy installation, the report points out.

Stock casualty companies are developing a facility with an aggregate capacity estimated at \$50 million. The mutual companies are developing a pool expected to have a capacity in excess of \$15 million which will be available for third party liability, physical damage or both. Therefore, the report stressed, the total third party liability capacity available at any one installation may be in excess of \$65 million where the full capacity of the stock and mutual facilities is utilized.

This amount is estimated to be more than four times the amount of such capacity hitherto available to American industry with respect to any one operation.

Because of the complexities which may arise in connection with possible claims resulting from an atomic incident, especially with respect to delay in reporting and the possible time required for evaluation of claims, it is contemplated that the amount of coverage purchased will be available for any and all third party claims for damages, whether to persons or prop-

(CONTINUED ON PAGE 33)

Texas Adopts Graduated Fire Rates for Dwellings

AUSTIN—Formal approval has been given by the Texas department to the principle of a graduated scale of fire, wind and extended coverage rates on dwellings and farm property. The new plan is scheduled to go into effect Aug. 31 so as to give adequate time to compile all necessary statistics for rates and rules.

The department decision was based on the data and arguments submitted at an open hearing in Austin, March 1, at which spokesmen for the Texas insurance Advisory Assn. asked that action be delayed pending further study.

However, the board said that it "is of the opinion that a reduction in the dwelling fire, wind and EC rates is in order. In view of the statistical information and other data brought to the attention of the board, it appears that losses are more frequent and the loss ratio greater on the lower brackets of insurance on dwelling policies."

"For these reasons, so that the premium will be distributed more equitably among the dwelling classification, the board is of the opinion that a graduated scale of fire, wind and EC should be adopted for use in rating dwellings."

With both the rates and rules for the new plan left wide open for speculation, informed circles expect two major developments:

1. That fire and EC dwelling rates will be graduated with one rate for the first \$5,000 of insurance or any fraction thereof, a lower rate for the second \$5,000 or any fraction thereof, and a still lower rate for any amount in excess of \$10,000.
2. That household goods will be sep-

(CONTINUED ON PAGE 40)

North America Has \$5 Million Reserve for Atom Coverage

North America group has set up \$5 million in special reserves against atomic exposures. This was disclosed by John A. Diemand, president of the companies, at the annual meeting of stockholders at the home office.

Mr. Diemand emphasized the group's confidence in the soundness of peacetime uses of atomic power. He pointed out that the group had followed the fortunes of business, industry and commerce for 164 years, and that it was again accepting leadership in the development of the atomic future.

Indemnity of North America was the first American insurer to underwrite exposures arising out of the operation of the utilitarian nuclear reactor, Mr. Diemand pointed out, when it issued a policy covering public liability, including products liability, workmen's compensation, and employers liability on the Nautilus, the first atomic powered submarine. The company later provided a business interruption policy on the plant of electric boat division of General Dynamics Corp., Groton, Conn.

The coverage on the Nautilus continues in effect. The group also insured the atomic powered Seawolf, companion submarine of the Nautilus, and will insure a third atomic powered submarine scheduled for launching in the near future. The group is primary underwriter for many of the insurance requirements of General Dynamics Corp. The reactor for the Nautilus was supplied by Westinghouse.

The group's safety personnel have had the opportunity to see the outstanding safety program conducted by General Dynamics in cooperation with the atomic energy commission. In

(CONTINUED ON PAGE 40)

Leggett Suggests Uniform Insurance Code for All States

Would Provide Structure on Which to Build Locally, He Tells Chicago Group

Adoption by all states of a uniform basic insurance code was suggested by Superintendent C. Lawrence Leggett of Missouri in his address Monday before the insurance group of Union League Club of Chicago. Mr. Leggett said such a code, supplemented in each state with whatever laws are necessary to cover situations peculiar to that state, is not an "ivory tower dream," but something for which the need is "apparent to everyone connected with the insurance industry and its regulation."

The idea of uniform basic insurance laws was first brought up, indirectly, by Mr. Leggett in his presidential address at the NAIC midyear last December at New York.

Uniform laws covering accident and sickness policy provisions, service of process, unfair trade practices and A&S advertising are steps in the direction of uniformity, Mr. Leggett remarked. They have been well received and are good for the industry in alleviating current and pressing problems. However, he said these bills are more the result of "Monday morning quarterbacking" than of forward planning. They are the results of a crisis, the remedial action. Such laws, created under pressure, may not necessarily be the best solution. The need for immediate uniformity results in a stop-gap measure without giving sufficient consideration to future needs. Then, when the crisis passes, no further consideration is given to the problem until it again reaches disaster proportions.

The A&S standard provisions and other uniform laws, Mr. Leggett said, "seem to have taken care of the current crises in insurance regulation. I think it is time, therefore, that NAIC, with the usual cooperation of industry, engage in some forward thinking to provide a uniform basic code which will permit the continued growth of the industry and which may very well eliminate future problems before they arise."

Under a uniform code, Mr. Leggett said, there would be such advantages as actions of one department in dealing with a local problem serving as a creditable precedent for other commissioners, and the availability to courts of all jurisdictions the thinking and decision of other courts called on to interpret identical language. Also, he suggested, companies could realize substantial savings in dealing with admission requirements, agent licensing, deposits, rating, policy forms, etc. Con-

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Late News Bulletins . . .

News Highlights on Page 4

Kingan, London & Lancashire, to Retire

Gilbert Kingan, U. S. manager of London & Lancashire, will retire at the end of June at his own request, after 47 years of service. For 27 years he has been the company's chief officer in the U. S. At the same time he will retire as chief executive officer of the other companies in the group.

Mr. Kingan will act in an advisory capacity until the end of this year, thus continuing his long association with the company as a director of the group in the U. S.

Pa. Adopts NAIC A&S Advertising Code

The Pennsylvania department has adopted the rules of National Assn. of Insurance Commissioners governing A&S advertising, effective June 1.

Gold Considering EC Increase in N. C.

After a hearing on North Carolina Fire Insurance Rating Bureau's modified plan for extended coverage rate increases, Commissioner Gold took the filing under advisement. W. S. Bizzell, bureau manager, pointed out that the request for increases had been scaled down from \$3,803,920, which Mr. Gold rejected in January as excessive, to \$1,626,013. The average increase is 33.9%, Mr. Bizzell said, though the 1945-54 loss experiences shows an increase of 159% is justified.

On inland dwellings the increase would be from eight to 12 cents, and on coastal dwellings 14 to 28 cents. The latter increase would apply to farm dwell-

(CONTINUED ON PAGE 40)

Rodda Gives Mutuals' View on Switch from Commercial to Mercantile Block Coverage

Transportation Insurance Rating Bureau, the mutual organization, is withdrawing from its filings of commercial block coverage and is adopting the mercantile block form, Manager William H. Rodda announced at the underwriting conference of TIRB at Chicago this week. In states where commercial block is approved and mercantile not approved, the commercial filing will remain in effect until mercantile filings are approved.

Mr. Rodda presented the TIRB statement of policy on the change, substantially as follows:

Four months ago TIRB started filing a commercial block policy in order to provide a broad form of insurance coverage on mercantile contents. This form was the result of five years of study and development by TIRB underwriters committees. It is a good form. The rating schedule is comparatively simple. However, three weeks ago the TIRB executive committee decided that the commercial block filing should be withdrawn in any state where the mercantile block policy becomes available for TIRB companies.

The action of the executive committee does not provide for a blanket withdrawal of the commercial block filing. The withdrawal applies to certain coverages and under certain conditions. The mercantile block policy which is being filed by the fire insurance rating bureaus and other rating organizations will become the policy for TIRB companies for multiple line coverage in all states where the policy can be made available to TIRB com-

panies. It appears that TIRB companies will be able to use the mercantile block policy in all states where it is available for other insurance companies. TIRB will make a filing of the inland marine portion of this combination concurrently with filings which are being made by the fire insurance rating bureaus and by the casualty rating bureaus.

The TIRB filing is being made with the condition that the specific factor for "all other" coverage on certain wholesale and distributing risks is to be provided to the fire insurance rating bureau by TIRB for its members and subscribers. This is believed necessary by the TIRB executive committee and counsel because it is not considered proper for such a factor to be provided by a rating bureau to which the companies are not subscribers or members. This principle has been accepted by the advisory organizations and already by some of the fire insurance rating bureaus which are also interested in the mercantile block policy filing. It has already been accepted by several insurance commissioners. No difficulty is anticipated with this provision.

The commercial block filing or promulgation will remain in effect for multiple line coverages in any state where approval has been secured and where the mercantile block policy is not yet available. Today that situation applies, for example, in California and Illinois. Should the mercantile block policy become available in those and other states, the TIRB will withdraw

its filing or promulgation in those states also.

The commercial block filing remains in effect for any class which is declared by an insurance department to be an inland marine class. The mercantile block filing does not apply to any class declared by an insurance department to be inland marine. Therefore, TIRB needs a coverage for such classes, and this continues to be the commercial block policy. A question arises as to whether the TIRB commercial block filing should be continued in effect for these inland marine classes, or whether the companies should convert to something like the "dealer's policy" which is used by many other companies for inland marine classes. The executive committee has directed the underwriters committee to examine this situation and make recommendations regarding the best course for TIRB companies to follow in this respect. The question will be considered at the April meeting of the underwriters committees.

The question now arises as to why the TIRB has altered its position after filing what is considered to be an excellent coverage, and a coverage which resulted from five years of study and development. The decision was not made lightly.

The problem of non-concurrence is a major one. The insurance on many mercantile operations is split among several companies. Often the insurance is divided between mutual companies and stock companies. Non-concurrence of coverage would exist if a part of the insurance were in a TIRB company under a commercial block form and part under a mercantile block form. Just as the standard fire policy is in the interest of the public in avoiding non-concurrence, so it is in the interest of the public to standardize on a single form for the covering of mercantile stocks.

Another important reason for converting to the mercantile block policy is the feeling that improvements in coverage can be secured more rapidly by a program of cooperation than would be possible by our continuing to use a different form. This has proved to be the case in connection with homeowners policies. There has been a complete spirit of cooperation between the TIRB and other organizations in the revision and development of the homeowners policy coverages. TIRB ideas have proved helpful in smoothing out the rough spots in these packages. It is anticipated that similar cooperation throughout all important segments of the insurance industry will result in a constantly improving coverage for mercantile risks.

The third, and a very important reason for the TIRB action, is to avoid confusion on the part of the insuring public, insurance agents and insurance regulatory officials. There is no question that there is much confusion in the insurance industry today. Agents and salesmen are having difficulty determining what is the best coverage to sell to a policyholder. It is difficult, if not impossible, for even a good agent to understand all of the coverages which are available today. Even though the commercial block program has certain advantages over the mercantile block policy, these advantages may be outweighed by the problems presented to an agent or salesman in determining what is best for his policyholders.

The decision of TIRB to cooperate in the mercantile block policy filings has

(CONTINUED ON PAGE 39)

Ark. to Review Independent Fire Filings, Asks Audit

LITTLE ROCK—Commissioner Combs of Arkansas has ruled that any fire insurance company filing its rates and forms independently of licensed rating bureaus in the state shall have its filing reviewed annually by the department and approved "only upon the insurance company's furnishing evidence that the filings made by it are not inadequate, excessive or unfairly discriminatory." The order further requires that, henceforth, all direct filing fire companies shall provide for an independent audit of their fire policies and endorsements thereto and that "such independent auditor or auditing organization shall be approved by the insurance commissioner."

The order, Mr. Combs stated, was issued after several months of careful review by the department of its whole jurisdiction over fire and allied rate levels under the fire rating law. The intent is to bring the independent filing company under the same degree of supervision and regulation as the company which files through a licensed rating bureau and whose policies and endorsements are audited by a bureau under the supervision of the department.

"We cannot successfully regulate fire and allied rates in Arkansas unless we know that these rates as filed are, in fact, being applied and that they are the ones which have produced the experience figures which companies submit to us annually," Mr. Combs said. He added that the department has been receiving reports that policyholders, in some instances, were being charged both more and less than the fire rates filed with the department.

Mr. Combs said the order was not intended to force independent filing companies to join Arkansas Inspection & Rating Bureau which, at present, maintains the only licensed rate auditing service in the state. He said the independents could create a similar agency of their own or engage an individual auditor who would be licensed by the department. Under the order, such independent auditing organization is required to issue policy criticisms where policy errors are found and to notify the insurer. If corrections are not made within 60 days, such criticisms are to be submitted to the department for its action. This is the identical procedure now required of companies filing their fire rates and forms through licensed rating bureaus in the state.

The department now annually reviews all fire filings of companies filing through licensed rating bureaus and also all approved rate deviations from such bureau filings.

"If companies cannot follow their own rate filings," Mr. Combs said, "then we shall soon find fire rate making in a state of competition and chaos with the ultimate result that this department would have no sound realistic system of rates. This would destroy the very thing the rating laws of Arkansas were designed to establish and maintain."

Exempted from the order are mutual companies whose rates and forms are filed by a mutual rating bureau licensed by the department and domestic mutual fire companies insuring farm property and filing direct with the department.

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Poured onto 1200° F. molten metal, Pydraul won't burn! All the lubricity of premium petroleum oil, without the fire hazard. Non-corrosive, chemically stable, safe to use. Economical, can be reclaimed for use over and over again.



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"In respect to fire hazard Pydraul F-9 is rated by Underwriters' Laboratories, Inc., 2 to 3 in a class much less flammable than paraffin (petroleum) oil, according to a schedule in which Ether is rated 100; Gasoline 90-100; Alcohol (ethyl) 60-70; Kerosene, 30-40; Paraffin Oil, 10-20."

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Indianapolis CPCU Chapter Plans Atomic Risk Forum

INDIANAPOLIS—Indiana chapter of CPCU will sponsor an all-day "Atomic Risks Forum" at the Columbia Club here May 23. John D. Phelan, vice-president of American States, and William S. Mortimer of Insurance Audit & Inspection are co-chairmen of the planning committee. Three experts who will participate in the forum are: William Satterfield, insurance manager of the atomic energy commission, who will describe how AEC has worked with the insurance industry to provide insurance by private carriers and will discuss some of the insurance problems connected with the civilian use of atomic energy; Ruell Stratton, safety engineer of Travelers, an authority on atomic energy hazards and safety engineering, who did much of the pioneering work for all insurance companies in obtaining underwriting information, and Ambrose B. Kelley, general counsel of Associated Factory

Mutuals, an expert on the legal and insurance problems in the atomic age.

Two more speakers will be announced later. They will include a casualty underwriter from a major stock company that has provided coverage for companies involved in atomic energy work, and the insurance buyer for a large corporation involved in atomic energy work.

Each of the five men will speak on his special field and then participate in a panel. Questions and discussion from the floor will be encouraged.

The insurance and science departments of several Indiana universities and colleges are cooperating with the CPCUs on this event, and will have representatives at the forum. Already insurance groups from Pittsburgh, Chicago, Cincinnati, and other midwestern areas have indicated their interest in attending.

N.Y. Auto Claims Assn. Dinner Set for May 11

Automobile Claims Assn. of New York will hold its annual dinner May 11 in Henry Hudson hotel, New York City.

Bryan Smith Heads Liberty Mutual

Bryan E. Smith has been elected president of Liberty Mutual, succeeding S. Bruce Black who was elected chairman. Mr. Black was president 32 years. He will continue as chairman of the executive and investment committees and will concern himself with company policy matters.

Mr. Smith has been executive vice-president and a director. He is the fourth president of the company. He began his career as a salesman. He is a member of the insurance committee of the U. S. Chamber of Commerce and of the advisory council of Atomic Industrial Forum.

California OKs Changes in WC Rates, Classes

With a few modifications, Commissioner McConnell of California has approved several changes and revisions in classifications and rates for workmen's compensation and employers liability insurance as requested by California Inspection & Rating Bureau.

The order includes addition of several new code numbers and repeal of others, mostly pertaining to steel and other metal industries, and a change in the rule involving exposure under men's and harbor workers compensation laws and the U. S. longshoremen's and harbor workers compensation act.

N.J. Agents Ask Auto BI, PD Limit Increase

New Jersey Assn. of Insurance Agents has adopted a resolution which calls for increasing the automobile bodily injury and property damage limits of 5/10/1, presently required by the safety responsibility act, to 10/20/5.

Highlights of the Week's News

Company reports on 1955 results begin on	Page 20
Springfield F. & M. elects two officers; C. C. Wright retires	Page 17
Maryland Casualty names J. M. Bugbee vice-president	Page 17
Premiums set new record for National of Hartford	Page 6
Fire Association writes 4.6% more premiums in 1955	Page 6
W. S. Ellis offers tips on servicing U&O accounts	Page 10
American Surety records new highs in surplus, assets	Page 10
Urges agents to positive sales attack for share of \$200 million homeowner premium	Page 11
Foreign insurance called open field for local agent	Page 7
Plan legislative handbook for California agents	Page 27
Pacific Board to hold Public relations conference	Page 27
Rhode Island midyear program set for April 16	Page 30
J. C. Parr named officer of twin Hartfords	Page 30
Standard Accident gives investors front row look at annual statement and plans for 1956	Page 39
Gives hopeful evaluation of loss situation in contract division of bond industry	Page 5
Iowa approves new crop cover	Page 33
Negligence as defense disappearing in today's courts	Page 9
Arkansas rules against catastrophe fire deductible cover	Page 12
Outlines insurance opportunities to college students	Page 12
Uninformed public leads to complaints on A&S: Davey	Page 16
General Re's 1955 profits dip but premiums increase	Page 16
E. F. Young fights for business with hard work, package form	Page 25
Iowa agents set up program for 50th meeting	Page 25
Review commercial block cover	Page 29
Joint program set for Rocky Mountain, Colorado meetings	Page 13
L. C. Layman resigns as Balboa president	Page 13

OPTIONAL DEDUCTIBLE

Missouri Approves Fire, EC Rate Cut

The Missouri department has approved, effective April 2, lower fire and extended coverage rates on one and two-family residences. The new rates constitute an over-all \$2 million difference in premiums.

Dwelling rates will be reduced some 23% and contents rates some 11%.

Hail and wind coverage on outdoor radio and TV antennas has been eliminated from the standard dwelling policies but can be written on a separate rider at an additional premium.

The optional \$50 deductible EC will be introduced. The rate for full coverage has been 20 cents but is reduced to 16 cents under the deductible plan. It applies only to buildings.

Fire, EC Rates Down \$7 Million in Fla.

Revisions in fire and extended coverage rates in Florida, effective May 1, will save policyholders an estimated \$7,268,000 a year in premiums, according to Commissioner Larson.

EC rate changes will affect nearly all classes of property. Principal properties affected by the fire rate revisions are airplane hangars, banks, and offices, bottling works, builders and carpenters risks, churches, garages, service stations, rest homes, hotels, hospitals, schools, theatres and some residential properties.

A revision in fire and EC rates a year ago reduced premiums an estimated \$4,067,109 a year.

Sullivan Secretary of Cal. Brokers Exchange

Eugene J. Sullivan has been named executive secretary of Insurance Brokers Exchange of California. He succeeds Jack H. Derrough, who resigned to join a brokerage firm. Mr. Sullivan has been assistant to the vice-president of the business development office of Bank of America in San Francisco, and for three years before that was executive manager of San Francisco junior chamber of commerce.

Minn. CPCU to Hold Clinic

Minnesota CPCU chapter will sponsor a buyers' clinic, April 24-25, at the continuation center of the University of Minnesota.

J. H. S. Jamieson is program chairman. Speakers and their subjects are: F. J. Howard, business interruption; E. N. Krapu, products liability; J. R. Hornbeck, inland marine, and P. M. Suttle, group employee coverages.

INTERNAL AUDIT MANAGER

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Gives Hopeful Evaluation of Loss Situation in Contract Division of Bond Industry

By FRED JACOBSEN
Chicago Resident Vice-President
of United Pacific

Losses in the contract division of the bond industry have prompted some members of the industry, including reinsurers of surety and casualty lines, to predict an "inescapable epidemic of losses," according to Fred Jacobsen, Chicago resident vice-president of United Pacific. He views the situation as one which "is not pleasant, but certainly not hopeless." His evaluation and suggestions follow:

"It would be easy to gaze into a crystal ball or follow a pre-determined formula of dollar signs, as some seem to advocate, to secure the correct answers and come up with a complete cure for all the ailments common to surety underwriting. Unfortunately, it is not as simple as that, since the surety field is a complex one. No one has yet found a set formula for preventing surety losses.

"It has been said that the underwriter caught with a faulty contractor must assign the situation to failure to secure complete information or failure to evaluate the data obtained.

"Unquestionably, much can be said on these points, but many times it has been determined that losses develop from causes which even the crystal ball or any other type of device could not have calculated to happen. Some of them are: Weather conditions, even if extensions are granted, whereby loss of time is loss of money. Improper data given by engineers which contractors are required to rely upon as to physical conditions. Unavoidable accidents causing loss of time and money. Embargo against delivery of certain materials. The price to be paid for doing business in a particular area.

"It would be relatively easy to determine the cause of a loss once all of the facts are in, which is sometimes like a doctor holding a *post mortem* and determining that the operation was a success even though the patient died. This second guessing is frequently done by many companies. Generally the conclusions drawn as to what should have been done are pretty accurate. From some opinions on the subject, it would appear that the answer, in order to secure good experience, is to staff the surgical claim department with an abundance of doctors to cure the surety industry.

"Certainly the claim department is one of the most important assets of a company. However, it does not appear sound to count on this department to keep the underwriting department out of hot water. The cure should be in the nature of preventive medicine and sound practices on the part of the underwriting department.

"It appears that the construction and surety industries could do with a good bit of medication. However, matters always have a way of leveling themselves off. Questionable contractors will be eliminated by their own actions and careless surety underwriters will be discouraged to a point where they will seek other lines on which to concentrate.

"At times there seems to be almost senseless competition in the surety industry, and at the present time the construction industry appears to be suffering from some of the same ail-

ment. It is regrettable, but we have yet to see any concerted effort by the surety companies as a group to stop irresponsible or inexperienced contractors from getting a qualifying bond from a company. Competition is such that there is always some company that will take a chance with the hope of getting by on a given bond and as a result of this get additional good busi-

ness from the same agent.

"The combined efforts of the surety and construction industries, architects and owners to prevent unqualified contractors from getting a license or a bond to qualify would go a long way toward curing some of our common ailments. Unfortunately, competition being what it is, such efforts can hardly be expected from outside sources. Therefore, the underwriters, as in the past, will have to come up with the correct answers to the questions.

"While the three c's or cardinal

rules for underwriters are still the basic fundamentals, the question has been raised as to whether they should be arranged capital, capacity, character or character, capacity, capital.

"For some reason, many so-called underwriters are stressing the requirement of the almighty dollar and seemingly give little consideration to the construction organization and its combined ability and business methods, which are in reality the principle ingredients of any successful company.

(CONTINUED ON PAGE 40)

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Fire Association Writes 4.6% More Premiums in 1955

Fire Association and its subsidiaries, Reliance of Philadelphia and Eureka Casualty, wrote net premiums totaling \$46,655,044 in 1955, a gain of 4.6%, according to the combined annual report.

Loss and loss adjustment ratio was 58.3 while incurred expense ratio was 42.3, producing an underwriting loss of \$728,672. The company said the loss was caused principally by excessive windstorm and flood losses.

Unearned premium reserve increased \$1,031,203. Investment income of \$2,981,690 resulted in consolidated net earnings of \$2,253,018 or \$3.31 per share as against \$1,240,010 or \$1.83 per share. Assets reached an all-time high of \$108,329,671 and policyholders' surplus increased to a record \$45,920,119.

1752 Holds Virginia Clinics

Southern 1752 Club sponsored clinics on recent changes and policy interpre-

tations at Roanoke and Richmond, Va., during March.

Speakers at the clinics included L. O. Freeman of the Virginia Fire Rating Bureau; Frederick K. Garrison, vice-president and sales manager of Huttig Sash & Door Co., and Col. H. M. Read of Washington & Lee university.

Employer's Names Head of Steam Boiler Unit

Employers' group has appointed George W. Glenie superintendent of the steam boiler and machinery department at the home office, succeeding John A. Ross, who retired.

He joined the engineering department in 1924 as an underwriter. In 1928, he went with the steam boiler and machinery department and has been assistant superintendent of that department since 1931.

Require \$20,000 Bond of Insurers Writing in Alaska

Filing of a \$20,000 bond will be required of "all licensed foreign insurance companies writing coverage on Alaska risks," according to an order of Territory Commissioner Duncan. The bond, which is to be filed with the

commissioner, will also satisfy requirements of law which provide that non-resident firms file bond or security equal to twice the estimated Alaska business tax on gross receipts.

American Employers Writes \$3 Million Bond

American Employers of Employers group has originated the \$3,009,600 performance bond covering construction of a hydraulic levee embankment intercoastal canal. The contract was awarded to the McWilliams Dredging Co. of New Orleans by the board of commissioners on the New Orleans levee district.

Casualty Accountants Meet April 25-27

Assn. of Casualty Accountants & Statisticians will hold its spring conference April 25-27 at Pocono Manor inn, Pa. Included in the program will be a presentation of the application of electronics and studies by members of the association.

Lloyd W. Wood of the Wood agency of Jonesboro, Ind., has purchased an interest in the Roberts agency Fairmount and will operate both.

Premiums Set New Record for National of Hartford in 1955

National of Hartford wrote an all-time record of \$80,947,344 in premiums, an increase of \$6,232,567 over 1954, according to its annual report.

Earnings from investments, exclusive of capital gains and losses before taxes was \$3,673,688, a 10% gain. Combined underwriting and investment operations produced a net income after taxes of \$1,573,080, a decrease of \$789,796. Policyholders' surplus gained \$4½ million to \$56,859,896. Increase in the unearned premium reserve amounted to \$3,052,539. There was an underwriting loss of \$2,067,301.

Following the year-end mergers of Mechanics & Traders with National Fire, and Franklin National and United National Indemnity with Transcontinental, assets of National Fire totaled \$139,124,906 and policyholders' surplus was \$54,835,500. Assets for Transcontinental were \$15,964,396 and policyholders' surplus was \$15,964,396.

Allow Excess Certificates to Meet New Wash. Bus and Truck BI Limits

Washington public service commission has announced it will accept excess certificates for liability and property damage insurance on risks requiring PSC certification. Previously the commission had announced increased limits requirements for commercial trucks and buses, effective April 1. The new limit for injury to one person remains unchanged but the all persons limit has been upped from \$150,000 to \$300,000. The property damage limit requirement for buses remains at \$1,000.

In submitting the filing, certification should be made first with respect to the primary insurer, indicating the limits shown. The certificate must be signed by the authorized representative of the primary insurance and, with respect to the excess coverage, the surplus line broker, if the excess is written as a qualified surplus line.

R.I. Bill Would Lower Used Car Interest Rate

A bill has been introduced in Rhode Island legislature that would reduce from 30% to 6% the legal interest and service charge including insurance, on used car loans exceeding \$50, excepting loans under \$300 made by small loan companies. The charges to the purchaser are often as high as 30% on the unpaid portion of the sale price.

A state legislative commission is studying a proposal to create an unsatisfied judgment fund for payment of uncollectible claims from traffic accidents. The fund would be established by charging an additional \$1 or \$2 on motor vehicle registrations. The proposal closely approximates New Jersey's currently operating UJ fund.

Virginia Senate Kills UJ Fund

The courts of justice committee of Virginia senate has killed a house-passed bill which would have set up a fund to pay unsatisfied damage claims against uninsured motorists. The bill sought to increase the vehicle registration fee by \$1 to establish an estimated fund of \$1.5 million. Opponents said the fund would not be adequate.

New officers of Insurance Women's Assn. of Fort Wayne (Ind.) are: Mrs. Eula Rains, president; Mrs. Mildred Riehle, vice-president; Mrs. Betty Findley, treasurer; Mrs. Peggie Meeks and Miss Edith Beckman, secretaries.

SECURITY ★ STRENGTH ★ SERVICE

UNITED STATES RESOURCES AS OF DECEMBER 31, 1955

Year Estab- lished		ASSETS			LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS (Includes Capital)	
		Securities Deposited as Required by Law	Other Admitted Assets	Total Admitted Assets			Annual Statement Basis	Market Value Basis
1896	American and Foreign Insurance Co.	\$ 421,000	\$ 24,822,244	\$ 25,243,244	\$ 14,942,920	\$ 1,500,000	\$ 10,300,324	\$ 9,762,184
1863	*The British and Foreign Marine Insurance Co. Ltd.	1,000,000	15,144,437	16,144,437	9,477,132	* 500,000	6,667,305	6,300,907
1911	Globe Indemnity Company	1,084,092	77,347,730	78,431,822	44,829,852	2,500,000	33,601,969	31,865,218
1836	*The Liverpool and London and Globe Ins. Co. Ltd.	1,266,028	53,636,445	54,902,473	33,119,686	* 500,000	21,782,787	20,407,747
1811	Newark Insurance Company	767,000	31,749,319	32,516,319	19,499,728	2,000,000	13,016,591	12,368,247
1891	Queen Insurance Company of America	788,716	81,472,812	82,261,528	49,336,967	5,000,000	32,924,561	30,984,147
1910	Royal Indemnity Company	1,128,607	87,597,671	88,726,278	52,928,348	2,500,000	35,797,930	33,879,878
1845	*Royal Insurance Company, Ltd.	1,219,260	61,819,382	63,038,642	39,344,109	* 500,000	23,694,533	22,443,255
1896	Star Insurance Company of America	421,000	27,075,153	27,496,153	16,359,706	1,000,000	11,136,447	10,534,345
1860	*Thames and Mersey Marine Insurance Co., Ltd.	1,000,000	8,840,932	9,840,932	5,732,701	* 500,000	4,108,232	3,933,458
1832	Virginia Fire and Marine Insurance Company	421,000	9,449,176	9,870,176	5,778,083	1,000,000	4,092,093	3,925,491
† Group Total-Consolidated		\$9,516,703	\$476,222,099	\$485,738,802	\$291,349,232	\$16,500,000	\$194,389,570	\$183,671,675

†Consolidated Group Total eliminates ownership of Virginia Fire & Marine Insurance Company stock by Globe Indemnity Company.

* United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U. S. A.

CASUALTY—SURETY—FIRE—MARINE

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Foreign Insurance Is Open Field for Local Agent, Garrison Tells Pittsburgh I-Day

If an agent knows of anyone going abroad or someone who has a business located overseas, he should see him about his insurance program, M. R. Garrison Jr. of American Foreign Insurance Association at New York advised at Pittsburgh I-Day.

Foreign insurance is an open field. Close to half of American interests overseas are still insured by other than American companies, he said. Sales of foreign insurance can round out an agent's business, help block a competing agent or broker from gaining a foothold in his account or lead to acquisition of a new account.

Foreign insurance is not mysterious, he said. It is a vital part of the business that must be and can be treated as part of office routine.

There are many risks within range of agents right now that provide opportunity to get into foreign insurance: A tourist takes a trip to Europe with his car; a serviceman is sent to Japan or Germany, an American company sends additional technicians to Venezuela; a manufacturer begins building a plant in Brazil; a contractor gets a road building job in Korea; a defense base is to be built in Greenland.

The same general coverages as those used in the U.S. are needed by these persons and firms. The tourist is provided automobile insurance and a personal effects floater. Employees overseas and servicemen may obtain auto insurance, comprehensive personal liability cover, burglary, theft and fire coverages. In addition, because of demand, a specified peril policy is offered which is especially designed for servicemen and government employees to cover personal effects and household furniture. The more complicated forms required by the contractor and the manufacturer also are readily available in the foreign market, including workmen's compensation, public liability, contractor's equipment floaters, fire, U&O, fidelity and surety bonds.

The principal markets for these covers are the companies abroad and the London market.

The American market consists primarily of American International Underwriters, North America, AFIA and certain British companies with departments in the U.S. that handle business abroad. American companies in the foreign field operate with branches in most of the free world with agents and representatives in less important areas. Inspection service, a knowledge of local conditions and practices, rating information and claim service all are available to insured through American companies.

There are differences in markets that should be thoroughly considered when placing the business. Mr. Garrison believes the American market is the most natural one for an American broker or agent to use since it is the most accessible and operates in a manner with which he is already familiar.

Where it is unlawful for a foreign company to enter the country, arrangements are made to place the coverage with the friendly local companies. Admitted American insurers write business for local interests as well as for American interests. Where there are compulsory insurance laws for certain coverages, for example, automobile liability in India, workmen's compensa-

tion in Spain and fire insurance in Brazil, admitted policies must be obtained.

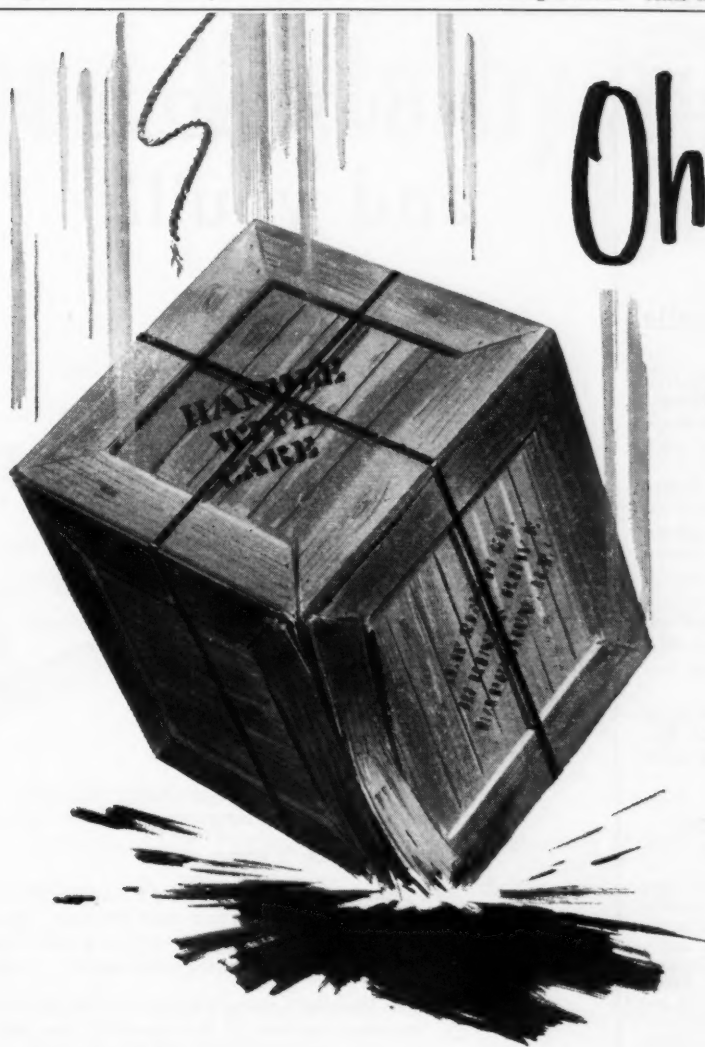
A firm should no more think of leaving insurance matters of their foreign branches to local buyers than they would of following a similar procedure in the U.S. In the placing of admitted coverage, an insurance buyer

domiciled in the U.S. can do everything a local buyer can do and has the additional advantage of a complete knowledge of his firm's insurance needs.

Submission of foreign business to a company is done in much the same manner as domestic business. The agent supplies as much information as he can about the risk with particular emphasis on the location involved, since the location influences the decision to write admitted or non-admitted. He provides information as to the hazards involved and coverages need-

ed, laws that must be observed and the rates that will apply. Each insured firm has its own problems and requirements which have to be worked out to the best possible solution based on each set of circumstances, Mr. Garrison concluded.

St. Louis F&M group has purchased a two-engine Aero Commander airplane for official use. The plane will be used to facilitate service to both insured and agents, and will fly company officers to any point where problems may arise.



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Top Speakers Named for Midwest Conference

The impact of the development of nuclear energy on the insurance business will be explained by Lloyd V. Berkner, president of Associated Universities of New York, at the midwest territorial conference of National Assn. of Insurance Agents at St. Paul, Minn., April 8-10.

Mr. Berkner has a distinguished career as an educator and scientist. He has been on the faculty of Massachusetts Institute of Technology, served with the State Department and headed the radar section of the bureau of aeronautics. His brother, Cecil Berkner is a local agent at Sleepy Eye, Minn., and president of Minnesota Assn. of Insurance Agents.

James C. O'Connor, executive editor of *F.C.&S. Bulletins*, and Arthur O'Connell of Cincinnati, executive committee member of NAIA, have also been named as speakers for the conference sessions.

McGuire Succeeds Inglis as WIIS President

Raymond A. McGuire, executive vice-president of Pacific Employers, has been elected president of Western Insurance Information Service, succeeding Ralph L. Inglis.

Mr. Inglis, who has resigned as president of Founders of Los Angeles to become vice-president of auto insurance for Automobile Club of Southern California, said he felt he should no longer remain as president of WIIS.

Mr. McGuire was chairman of the WIIS executive committee during 1955 and was elected a vice-president last December.

Carl B. Birkenmeyer, vice-president and a director of United Pacific, has been elected chairman of the northwest steering committee of WIIS.

Ky. Orders Questionnaire of All Auto PHD Insured

FRANKFORT—The Kentucky department is requiring all companies writing automobile collision coverage to mail a questionnaire to each individual insured to determine whether vehicles are properly classified. After returns are in, the department will be able to check company records and order a refund to policyholders if they are due.

Overcharges on physical damage coverage were brought into the spotlight during an examination of Service Fire, and several companies subsequently were found to have misclassified a number of policyholders. In publicizing its action, the Kentucky department notes that in Connecticut 25,000 persons have been overcharged more than \$500,000 since 1953.

Mich. Recodification Bill Set for Final Passage

LANSING—The department-sponsored and industry-backed bill for recodification of the Michigan insurance laws is due for final passage this week, probably without opposition. The measure was reported last week from the senate insurance committee without change and was advanced to order of final passage before the week-end recess. Only changes made in the 510-page measure since its introduction were corrections in typographical errors and minor clarifications.

The bill, according to its sponsors, will put the Michigan insurance acts in properly related form, making them much more accessible and more easily interpreted since many ambiguities and conflicts have been removed without altering the general intent of any

of the existing statutes. Because further amendments at this session would disorganize the codification, few bills amending any of the laws included even were offered and nearly all died in committee. It is anticipated, however, that with the codification completed and the process of amendment made easier, many changes, chiefly seeking to modernize the Michigan laws, will be offered at the 1957 session.

Ivan Allison has been named sales manager for Farm Bureau Mutual of Michigan.

Dennington Retires, Cantey on Loan to Ga.

ATLANTA—E. H. Dennington, who has been manager of Georgia Inspection & Rating Bureau since 1925, has gone on a leave of absence because of poor health and will formally retire Aug. 1. He will have completed 51 years with the bureau at the time of his retirement.

To assist in the reorganization of the Georgia bureau executive staff, L. V. Cantey, assistant manager of Alabama

Inspection & Rating Bureau at Montgomery, has come here temporarily. He expects to be in Atlanta several months and will return to Alabama after new Georgia executive appointments are announced.

Local Board Secretaries to Meet

Local board secretaries will hold their own meeting during the Midwest Territorial Conference meeting in St. Paul. Their session will be at 2 p.m., Sunday, April 8, in the Colonial room of the Lowry hotel.

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Negligence as a Defense Disappearing in Today's Courts, Kenneally Asserts

Modern-day courts are overlooking the fault of negligence in determining liability and damage judgments, John P. Kenneally, New York resident vice-president of New Amsterdam Casualty and United States Casualty, declared in an address at Pittsburgh I-Day.

"A new set of standards is replacing the technical law of negligence," he stated. "It is a law of action, the negotiation for settlement. We have a much closer approach today to absolute liability in practice than in theory."

Much of what has been written about liability without fault asserts that a large part of the liability, which today is nominally based on traditional concepts of negligence, actually involves no real fault in the defendant himself and that courts are increasingly disregarding the fact of fault, or the lack of it, in determining liability and damage, he said.

No one objects to the truly adequate award if arrived at fairly, without passion or prejudice, Mr. Kenneally said. Neither is there valid objection to the use of demonstrative evidence providing it is not obviously intended to agitate emotions, overpower the mind, and desensitize the intellect. Photographs, moving pictures and charts legitimately are used as demonstrative evidence in the trial of a negligence action. Yet some courts permit the use of plastic bones in simple fracture cases, for example, a fractured ulna and radius. The plaintiff's doctor dramatically will take an indelible pencil and mark the fracture site on the plastic bone and the plaintiff's attorney will then pass the marked bone to the jury for examination.

Then also, he continued, some of these disciples of the more adequate award will bring a prosthesis into court, wrapped in ordinary butcher paper, and, at a psychological moment, unwrap the appliance slowly and deliberately, exhibiting a gruesome artificial limb to the jury. It's a very short road from this type of evidence leading to the misnamed more adequate award to the practical, though informal, adoption of liability without fault and the disintegration of the present laws of negligence.

The doctrine of comparative negligence is another milestone along the road to liability without fault, Mr. Kenneally stated. Some maintain that comparative negligence appears today in its most vicious form in the present day jury system. Many have seen the practical working of comparative negligence doctrine by means of a compromise verdict by a jury.

The adoption of a system of comparative negligence with jury trials would lead to complication and court congestion, he asserted. Such a system, administered by three judges without a jury, has been proposed as a practical solution for calendar congestion and the problems arising out of traffic accidents. The successful plaintiff's negligence practitioner is not apt to go for that. There has been a complete lack of success in getting plaintiff's lawyers to waive jury trials to relieve calendar congestion. Insurance company defendants probably would not approve it. It requires a lot of study. It has some merit but there are powerful arguments against it.

Mr. Kenneally quoted Judge Peck in his report on his *Report on Justice* on comparative negligence:

"There is only one reason why I am not persuaded to urge adoption of a rule of comparative negligence while retaining the right to a jury trial, and this is because I have the feeling that consideration of contributory negli-

gence and the effect it may have in preventing recovery by a plaintiff encourages settlements, and I fear that if a rule of comparative negligence were adopted with juries more cases might go to trial and more delay result.

"No system is perfect, but it is my own conclusion, after these years on the trial and appellate bench, that the best system, everything considered—better than the present jury system under the contributory negligence rule, better than a compensation system—

would be a system of trial by judge with a rule of comparative negligence. Then every factor could be given its fair weight in a judicial judgment."

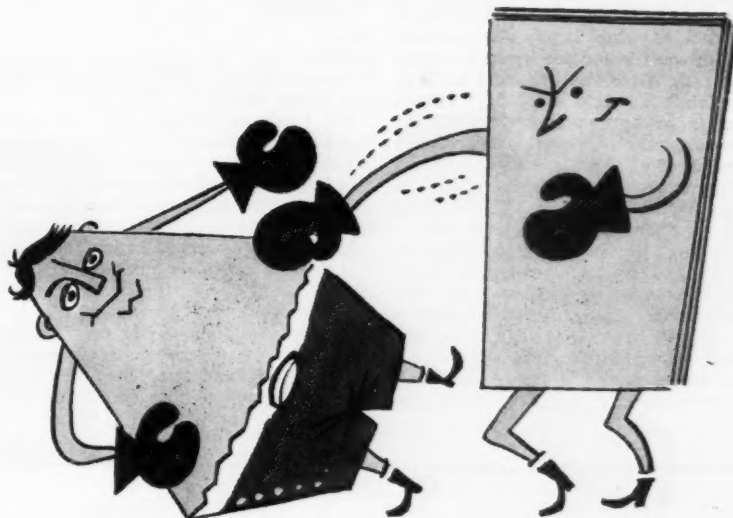
Mr. Kenneally discussed automobile compensation. He said in a booklet, *Perspective on Justice*, published in 1955 by the justices of the appellate division of the supreme court, first department, three solutions were advanced to overcome delay in trial of accident cases.

1. By qualifying the right to a jury trial in civil cases.

(CONTINUED ON PAGE 35)

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Ellis Offers Tips on Servicing U&O Accounts

Suggestions for servicing business interruption insurance accounts were offered those attending Cleveland Insurance Day by Will S. Ellis, fire manager at Chicago for Royal-Liverpool group. Mr. Ellis, who is one of the best known authorities on business interruption coverages, made the servicing of this line sound simple in the extreme. He said it is confined simply to maintaining adequate but not excessive coverage to comply with the co-insurance requirement, and instructing insured in preparation of figures to support a claim.

Maintaining adequate coverage requires frequent attention but need not be as difficult as a lot of agents make it, he said, suggesting that the system he has found most successful in keeping track of values is to place a call-up card in the file for the insured's fiscal year end. When the insured's audit is completed, a work sheet is prepared from those figures which reflect the previous year's operations. In such work sheet all details are entered under the exact title employed in the audit so that each entry may be identified next year for comparison purposes.

The next step is to develop the ratio that gross earnings or the item I and item II values (as the case may be) bear to sales. That ratio figure is then used for the next fiscal year as the key to the amount of insurance required. Such ratios rarely change more than one or two points in a year unless the

business undergoes a major change in the type of function performed. And so to check values during the rest of that fiscal year the agent need only to know the probable sales for the next 12 months. If the ratio of gross earnings to sales is 62% and the estimated sales for the next 12 months are \$1 million, the gross earnings estimate is \$620,000. If the coverage is on a 50% coinsurance basis, the amount needed is \$310,000.

It should always be remembered, Mr. Ellis emphasized, that when a decision has been reached by an insured to carry business interruption insurance, it goes without saying that it was intended such insurance should at all times be carried in the proper amount. There should be no hesitancy on the part of the agent, therefore, to see that coverage is so maintained. A telephone call at reasonable intervals asking for "the sales estimate for the next 12 months" is all that is required except for the annual visit to redo the work sheet.

Preparation of figures to support a claim is a duty few insured will experience more than once or twice in a lifetime, and if he ever needs a friend that is the time, Mr. Ellis said.

All business interruption loss adjustments are divided into four simple basic steps: Determination that the loss is covered; establishment of compliance with coinsurance; development of the time element involved, and development of expenses which continue and profit which is prevented from being earned during the involved period of time.

The insured's duty after the fire, he pointed out, is to proceed as he would if he had no insurance. This will result in the speediest, most consistent re-

American Surety Records New Highs in Surplus, Assets

Policyholders' surplus of American Surety and its affiliate, Surety Fire, reached a new high of \$25,191,007 in 1955, an increase of \$1,606,598, according to the annual report of W.E. McKell, president. Assets eased up to \$77,280,201 from \$76,934,880.

Policyholders' surplus of the entire group, which also includes Canadian Surety and Compania Mexicana de Garantias, rose to a new record of \$28,535,034, an increase of \$2,029,978. Assets of the group increased more than \$500,000 to \$83,620,410.

sumption of operations. While this is going on the necessary figures to support the claim will be developed.

The insured should "close" his books as of the day of the loss—just as he closes them at the end of each month or quarter. The bookkeeping from that date will, therefore, apply to the loss period and will not have to be separated from normal—prior to loss—records.

Second, a careful list of the exact functions being performed by each employee should be kept. For example if a \$15,000 per year foreman is oiling and wiping down machinery, removing debris, or repairing equipment, he is actually repairing the physical damage loss—and if that job is worth \$4,500 per year the property insurance should stand that part of his salary and the

business interruption will pay the balance. This list of functions performed is necessary to separate property damage from the business interruption loss.

All expediting and extra expenses incurred to reduce loss should be cleared with the adjuster until the pattern of allowance for such disbursements is clear to the insured and a careful record kept of such disbursements.

If the loss is sufficient to suggest laying off some employees that subject should be discussed with the adjusters as quickly as possible after the loss, and the required action taken with minimum delay. Mr. Ellis noted it should not be presumed the companies will pay the entire staff if retention of such individuals is not essential to resumption of operations in a normal manner.

Losses should not be closed until the insured is absolutely certain of the date on which full operations may be resumed, Mr. Ellis said. In the final adjustment it should be remembered that the time element will have already established itself and should not be controversial. The establishment of continuing expenses is also relatively simple because they are expenses that were going on prior to the loss and could not be completely stopped during the suspension. This leaves the one item of prevented profits as the prime question for adjustment.

Autoplan Ins. Co., which was ready to do business last Nov. 3 with a capital of \$1 million and surplus of more than \$1 million, is owned 100% by Northern of New York. On Autoplan there are 1,000 shares of \$100 par value stock.

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Urges Agents to Positive Sales Attack for Cut of \$200 Million Homeowner Premium

A positive program for the full-scale sale of homeowners policies is needed by every agent who hopes to get his share of the \$200 million in homeowner premiums predicted by the industry for 1956, according to Bernard J. Daenzer, vice-president of Security-Connecticut group.

Mr. Daenzer outlined changes in dwelling policies and tenants package policies and suggested a "sales attack" for agents at the Cleveland I-Day.

"Within just a few years, a complete revolution has taken place throughout the United States in the selling of personal lines. Never has there been a more enthusiastic and wide-spread acceptance of a new contract," he said. The most recent changes in the homeowners and the new tenant package point up the tremendous job still to be done. There are still some who have the tendency to procrastinate; some who waiver irresolutely on whether to use the homeowners or comprehensive dwelling policy contracts, and some who are satisfied with a limited number of sales—who do not go back over the ones they skipped and never really hit at the terrific potential of new prospects.

He reviewed the latest changes in homeowners contracts and said they should remove any lingering doubts which agents might have and encouraged them to consider "almost every account on the books for some homeowner package tailored to specific requirements."

"These changes should be the go-ahead signal for formulating a fully effective program which includes notification to all clients, account analysis and grading, and an organized plan of solicitation and selling."

Mr. Daenzer emphasized the extensive market opened by the non-homeowner or tenant policies. "It includes all of those people who live in one or two family dwellings but are non-homeowners—about one-third of the total in the United States—and all of those who live in apartment houses. They, too, would like the broader protection, the big savings and the simplicity of having only one package policy," he said.

The changes in homeowners policies and the new tenant policies also point to "a definite need in our business for a certain amount of standardization," he said. "In this field, it is of paramount importance that the public has complete confidence in the type of coverage they are buying and that mortgagees universally accept and understand the packages. The improvements and the opening up of homeowner-type packages to tenants are certainly in the public interest. On the

other hand, I hope that there will be a moratorium on changes for a while. It would be a good thing to avoid too many innovations and keep the product standardized. This is the only way we can build up valid experience figures. With the extraordinary breadth of sales, full insurance to value, the natural selection because of the pricing of the product and the

elimination of the small shack and the jumbo mansion, there should be some remarkably good rate reductions in the years to come." He said the changes will resolve some of the problems which created a dilemma in the minds of some producers and enable them to go ahead with a full-scale homeowners sales attack.

He recommended a complete customer analysis program based on the following division:

The owners of homes worth \$35,000

or more who can get the deluxe treatment—homeowners C.

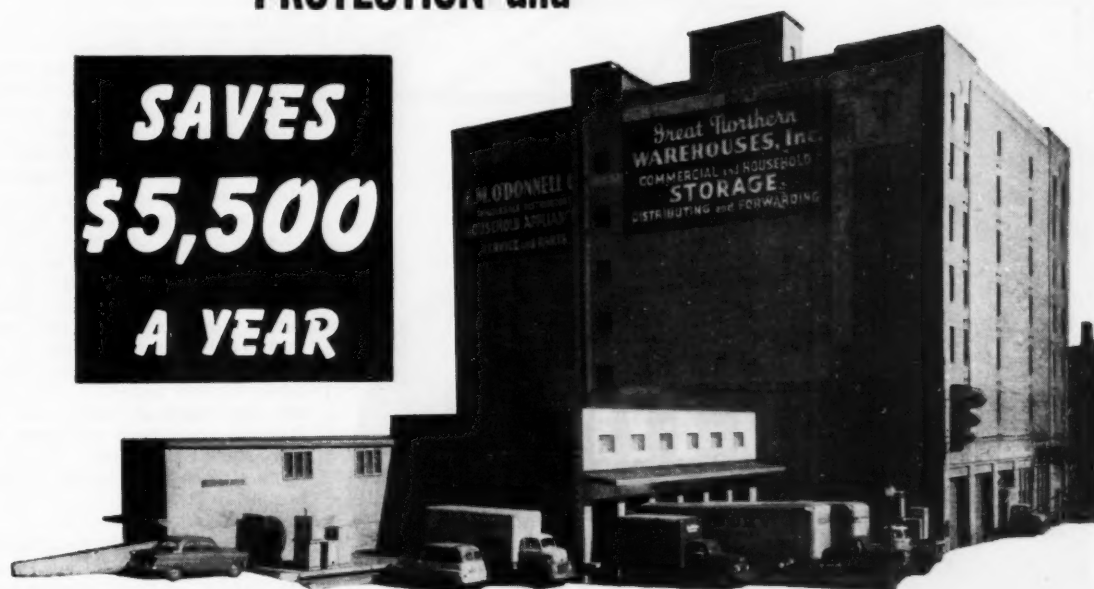
The mass market for the medium priced package, homes with a replacement cost of between \$12,000 and \$35,000—homeowners B.

The stripped down version for homeowners with homes of lesser value—homeowners A.

The non-homeowners or tenants who can now buy the modified homeowners B contract with all its many advantages.

"It is suicide to wait complacently (CONTINUED ON PAGE 34)

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Use of ADT Central Station Automatic Services to protect our warehouse around the clock against fire, burglary and heating equipment failure has, through the years, been highly satisfactory. These services not only have proved efficient, but they give us a current annual saving of \$5,500 over the cost of less effective measures.

J. Hammerle

Vice President

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The satisfaction expressed by Mr. Hammerle is typical of the comment of thousands of warehousemen and other business executives who know that ADT Automatic Services give better protection for property, profits, customers' goods, and employees' jobs than other methods, and at less expense.

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New Oklahoma Handbook Out

A new Underwriters' Handbook of Oklahoma has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Oklahoma Hand-Book may be obtained from the National Underwriter Co., at 420 East Fourth street, Cincinnati. The price is \$12 each.

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Ark. Rules Against Catastrophe Fire Deductible Cover

LITTLE ROCK—Commissioner Combs of Arkansas has ruled against fire deductible plans which would provide fire coverage on a catastrophe basis. "The writing of this type of coverage is inconsistent with the entire concept of fire insurance which contemplates a broad and equitable distribution of all fire insurance losses among insured," the commissioner said, "and the writing of such policies would, in effect, destroy the statistical creditability of fire rate statistics."

Several years ago, the department under then Commissioner J. Herbert Graves approved North America's catastrophe cover with its \$100,000 fire deductible. Subsequently, the department repeatedly turned down filings for fire deductibles with lesser amounts.

Several months ago a number of fire companies filed so called "disaster insurance" or "excess insurance" plans containing large fire deductibles. All of

them were turned down by Commissioner Combs. These filings were contested by Arkansas Inspection & Rating Bureau in a hearing before the commissioner. The department immediately began a restudy of the whole matter including its previous approval of the \$100,000 deductible for North America. The present order, effective March 12, resulted.

Insurers of Nashville Name Consultant

Insurers of Nashville has appointed R. K. Rice Jr., assistant manager of General Adjustment Bureau at Atlanta, as loss adjustment consultant.

The organization made the appointment on the heels of recent heavy windstorm losses in middle Tennessee. Mr. Rice will confer with the organization on plans for loss handling. He has charge of GAB operations in Tennessee, Alabama, Mississippi and north-west Florida.

N. Y. Claims Men Hear Attorneys

Charles Weintraub and Sidney Zipser, subrogation attorneys, conducted a panel discussion on claims problems at a meeting of Inland Marine Claims Assn. of New York in New York city.

Outlines Insurance Opportunities to College Students

Some cogent reasons why college graduates should consider a career in fire and casualty insurance were offered by A. R. Buchel, vice-president and secretary of Gulf, at a forum in Dallas on insurance opportunities for college students. Mr. Buchel said "there are unlimited opportunities" within insurance, backing this up with several arguments.

He remarked that a high percentage of young men who were just starting in insurance prior to the war did not return, and few new men were being trained. This was caused by low level of salaries and a long training period. The unprecedented economic growth of the country from 1945 has resulted in an attendant increase in all lines of insurance. This requires trained personnel in a business which is short of manpower.

There has been a breakdown in the boundaries between fire and casualty by the inactment of multiple line laws. Companies are opening new departments in the face of an expanding economy and a shortage of manpower, and there is an obvious demand for college graduates and a "wonderful opportunity for advancement."

The fire and casualty business, Mr. Buchel explained, is a business of detail and it requires time to grasp the relation of one detailed step to another. This is particularly true of underwriting. However, the industry has learned that a young man with a college education, and especially one who has majored in insurance, can be trained in about one third of the time previously thought necessary. Also, he added, the starting salary for college graduates has been increased materially and the industry is now on a competitive basis with comparable businesses.

An insurance company offers jobs to satisfy the talents of any individual, Mr. Buchel said, mentioning accounting, statistical, adjustment, claim examining, safety engineer, fire prevention, payroll auditor, special agent and underwriter. He warned, however, that if a young man has an ambition to get rich in a few years, he should not choose the company side of the fire-casualty business. "On the other hand, if your ambition is to earn a comfortable living, under pleasant working conditions, in a business which presents a new challenge each day, by all means make the fire and casualty business your career."

Mr. Buchel said his 30 years in the business have given him some reasons for confidence in choosing a fire and casualty career, and he enumerated them as:

1. Contrary to much that is said in Texas newspapers, insurance is a business of integrity conducted on a plane of high business ethics.
2. The business touches every phase of economic life and must constantly meet all changing conditions brought about by new inventions and new developments.
3. It is a business which meets an economic need as the cornerstone of credit.
4. It is not subject to wide fluctuations of income.
5. Because of the trend toward package and multiple peril policies, insurance is now almost a profession and

will become more professionalized in the future.

6. Knowledge of insurance, because of the complexity of the business, must be acquired, to a large extent, by experience, thus the longer one remains in the business the more valuable he becomes to his company.

July 1 Ind. Deadline for Inland Empire Creditors

The receiver for the Inland Empire, acting through the Indiana department, has announced that creditors of the defunct company have until July 1 to pursue their claims. They can get claim forms from the receiver, Continental Bank & Trust Co., Salt Lake City, or through their attorney in Indiana, William S. Hall of Indianapolis.

Name Capitol Casualty V-P

Daniel A. Cutrona has been named vice-president of Capitol Casualty Mutual of Chicago.

He began his career with Associated Agencies at Chicago in 1949 and prior to joining Capitol Casualty was with Highway Casualty and Robert P. Butts & Co.



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Joint Program Set for Rocky Mountain Colorado Meetings

The Rocky Mountain Territorial Conference and Colorado Insurers convention will begin with sessions for executives and local board officers and registration for both meetings on April 12 at the Broadmoor hotel, Colorado Springs.

General sessions of the two meetings will be held jointly, April 13-14. Business meetings will be held independently, but have not been scheduled concurrently.

Maurice Hartson Jr. of New Orleans, NAIA executive committee member, will speak on "Our Changing Times" at the noon luncheon. Other speakers include Commissioners Taft of Wyoming, Apodaca of New Mexico and Beery of Colorado.

Three major workshop sessions have been scheduled on fire, marine and casualty coverages. The panel members are all of Denver unless otherwise indicated. They include:

Casualty—Chairman P. J. Walsh of the Gill & Smith agency; Gene Nikkel of Colorado Claims Service; E. M. McDonald of Travelers; Paul Strickland of the Ritter general agency at Albuquerque, N. M.; Henry Paul of the Bond agency at Casper, Wyo.; R. G. Shurtleff, manager of Mountain States Compensation Bureau; William Kersten of Van Schaack & Co., and Frank Broemmel of Maryland Casualty.

Marine—Chairman John Mergen, local agent; Taylor Powelson of General Adjustment Bureau at Albuquerque; Edward Gabrill of Phoenix-Connecticut group; Neil Durham, local agent at Clovis, N. M., and president of New Mexico Insurers; Edward Reid of American, and Joe Silversmith, local agent.

Fire—Chairman Barney Flood of Greeley, chairman of RMTC nine-man company contact committee; Edward Perry of GAB; Max Hurch, local agent at Riverton, Wyo., and president Wyoming Insurers Assn.; William Turbett of Home, Albuquerque; Robert Harmon of Mountain States Inspection Bureau, and Henry Furlong of North America.

A golf tournament and other entertainment has also been scheduled.

Layman Resigns as Balboa President

Lester C. Layman has resigned as president and a director of Balboa and Arrowhead of Los Angeles, both Seaboard Finance affiliates. "Irreconcilable differences of opinion on management policy" was given by Mr. Layman as his reason for resignation.

Balboa and Arrowhead specialize in financed auto physical damage business. Balboa had a combined loss and expense ratio in 1955 of 87.8%.

Mr. Layman began his insurance career in 1928 as a special agent for Maryland Casualty. He was vice-president and general manager of Gibraltar Casualty of Los Angeles from 1931 to 1935 and later was two years with the California department. Before joining Balboa in 1952 as executive vice-president, he was secretary of Aetna Fire at the home office.

In his announcement of resignation, Mr. Layman says: "I believe sound insurance company management dic-

tates, and earning an underwriting profit requires a policy of dynamic growth safeguarded by appropriate spread of risk by line and by territory. Evidently, not everyone agrees with this principle."

Kelley Addresses Philadelphia Mariners

Vernon J. Kelley, deputy commissioner of Pennsylvania, addressed 60 members of Mariners Club of Philadelphia on functions of the insurance department at the March meeting.

N.Y. Legislature Wrestles with Compulsory Auto

The New York assembly has passed a compulsory auto insurance bill, but its fate in the senate was uncertain at midweek. There was some indication that it might not be reported out by committee.

The bill was adopted 123 to 24 in the assembly, the 24 nays being all Republican, though 63 Republicans voted for it. When Thomas E. Dewey was

governor, the assembly passed a similar measure, but it lost in the senate.

The administration of Gov. Harri-man was trying for a fund to compensate victims of uninsured motorists.

The assembly also adopted a measure providing for impoundment of uninsured vehicles involved in accidents.

Walker to Great Northern

William B. Walker has joined Great Northern of Minneapolis as resident manager at St. Louis. He was formerly resident manager for National Automobile & Casualty there.



Profitable agency operation calls for intelligent system kept within bounds. Office routine and record-keeping may be vital procedures in your business. But to the extent that you let them hamper or confuse your basic sales and service functioning, you are like the forgetful fisherman who is held back by a hidden anchor left overside.

How to Simplify Agency Routine is latest in the serviceable series of Security-Connecticut Bul-

letins, designed to help in your business of building a profitable multiple-line agency. It presents some practical procedures, as proven and described by some practical agency-managers. It doesn't try to give all the answers on economy of time and money in systems-operation. But if it uncovers even one of your hidden anchors, it will have been well worth-while your reading. Why not ask for a copy NOW? — on the handy coupon below.



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Atlantic Mutual Hits New High in Premium Writings, Claims Up

Atlantic Mutual group's written premiums of \$28,056,000 in 1955 were a gain of \$1,144,000 and established a new record, according to Franklin B. Tuttle, chairman, and Miles F. York, president. Policyholders' surplus of \$27,664,687 also was an increase, compared with \$24,651,000 in 1954.

Combined losses and loss adjustment expenses incurred, after reinsur-

ance, was 55.7% of earned premiums, compared with 46.5%. The ratio of expenses incurred to premiums earned was 36.6% compared with 36.9%.

The year was marked by new highs in premium volume and a substantial increase in claim frequency. Hurricanes and disastrous floods produced sufficient claims to raise the net loss ratio about nine percentage points above 1954's figure, Mr. Tuttle said.

Underwriting profit amounted to \$2,077,000 compared with \$4,319,000. Investment income was \$1,659,000 and

federal income taxes were \$413,000. Comparable figures in 1954 were \$2,581,000 and \$1,698,000, respectively.

Consolidated unearned premium reserve amounted to \$18,135,000, compared with \$16,932,000. Claims paid were \$16,962,000, involving the issuance of 93,107 claim drafts, compared with \$16,916,000 and 88,278 claim drafts.

Gross written premiums increased \$1,753,000 to amount to \$37,450,000. Consolidated assets were a record \$74,380,000 compared with \$69,227,000.

Sprinkler Leakage

Changes Made in N. H.

New Hampshire Board of Underwriters has made several changes in its sprinkler leakage manual. The schedule for measurement of the relative hazard of sprinkler leakage, including rules and clauses, as recommended by Inter-Regional Insurance Conference, have been approved for rating and writing the coverage in New Hampshire. The minimum premium has been increased from \$5 to \$7.50, and there is a \$2 charge instead of no charge for attaching the sprinkler leakage supplemental contract to the fire policy. The following loss clause has been approved for use in the sprinkler leakage, earthquake and water damage forms: "Any loss hereunder shall not reduce the amount of this policy."

At the same time the board indicated that use of the one-write policy will be mandatory beginning Sept. 1. It is optional beginning Feb. 1. Stamping procedure has been modified by increasing from \$10,000 to \$20,000 the amount of insurance on dwelling daily reports and endorsements to be returned directly to the agent for correction, rather than being sent to companies.

Stabile Addresses Conn. Agents

Henry E. Stabile, special agent of Royal Exchange, addressed Fairfield County (Conn.) Assn. of Insurance Agents on package policies.

Illinois National Casualty to Become Illinois National

Illinois National Casualty is changing its name to Illinois National and is entering the fire business. The company operates in Illinois, Indiana, Iowa, Kentucky and Ohio. Workers have started on a third floor addition to the home office at Springfield.

Boston Names Two Managers, Special Agents, Adjuster

Boston group has appointed Arthur N. Yeates branch manager at Washington, D.C., Charles H. Christiansen casualty claims manager at Newark, Ralph A. Edwards special agent at Baltimore, Grenville S. Tompkins Jr. special agent at New Haven, and Robert W. Abraham claim adjuster at Saranac Lake, N.Y.

Mr. Yeates joined the company in 1947 as a fire underwriter. He did field and production work in the Baltimore area and was named special agent in Ontario, Canada, in 1953.

Mr. Christiansen formerly was with Employers group and Eureka Casualty. He will handle all casualty and physical damage claims in the Newark area.

Mr. Edwards was special agent for Hartford Accident and Phoenix of Hartford before joining Boston as a marine underwriter.

Mr. Tompkins joined the group last year after field experience with Phoenix of Hartford and Fireman's Fund.

Mr. Abraham worked as an independent adjuster in Jamestown, N.Y., before his present appointment. He will handle claims in the Plattsburg-Saranac Lake area.

Non-Resident Law Changes in Ga. Ky.: Excess Line Proposal in New York

The Georgia legislature has reduced the minimum fee which must be retained by a resident countersigning agent on business within the state from 50% of the regular commission to 25% of this sum. Other countersignature and license requirements, including the \$10 license fee for non-resident agents, are unchanged.

The Kentucky legislature, on the other hand, has amended the non-resident provisions of the insurance laws to require that the commission on such business be divided equally between the countersigning resident agent and the non-resident agent. Previously there had been no specific division prescribed, but a 1952 ruling had called for a minimum counter-signature fee on a retaliatory basis.

A bill introduced into the New York legislature would amend Sec. 119 of the insurance laws to permit a licensed insurance broker to place insurance with a licensed excess line broker and share in the commissions. It would also relieve the broker, but not the excess line broker, of liability in case the unauthorized insurer fails to pay a claim or goes into liquidation.

Scottish Union Names Georgia General Agency

Scottish Union has appointed Murrey & Fladger of Atlanta as general agents for Georgia.

New Adjustment Firm in La.

Underwriters Adjustment Co., a new independent adjustment firm, has been organized at New Orleans and will handle automobile, fire, marine casualty and A&S lines. Ernest B. Mercer, who has been with Motors, General Adjustment Bureau, and Emery & Kaufman, is manager. He will be assisted by L. J. Ferry, who was with Globe Indemnity for 16 years and since 1948 has been with Emery & Kaufman.

The Donald B. Sigerfoos agency of Elkhart, Ind., has been merged with the Minard Scott agency and is being continued under the Scott name. The Sigerfoos agency was formerly operated by Donald B. Sigerfoos, who died in January. Mrs. Sigerfoos will keep her interest in the business.

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Mass. Brokers Plan Working Meeting

Insurance Brokers Assn. of Massachusetts will have an all day working meeting March 27 at Hotel Somerset in Boston.

A discussion of agency sales conditioning, including keeping auto physical damage business from dealers, making office procedures into sales steps and keeping customers thinking favorably, will open the program. Speakers will be J. Lawrence Kelly, vice-president of the association, and Samuel O. Penni Jr. of Truman Hays & Co., both of Boston. Frank W. Humphrey of Boit, Dalton & Church will discuss fire special risks.

Dwelling package policies will be discussed by Hans W. Barber, assistant regional superintendent of Employers group. Donald L. Haskett, state general agent of Massachusetts Casualty, will speak on competition and A&S. Edward G. Bottenus, special agent of U. S. Fire, will discuss the mercantile block policy.

At the afternoon session George J. Cleary, field supervisor of Aetna Casualty, will discuss developing and selling the large risk. Gene Hays, general agent of New England Mutual Life, will talk about ideas that are selling life insurance for brokers.

At the luncheon, Douglas W. Howard, vice-president of the association and chairman of the meeting, will preside. Irv Wermont of Boston will also speak.

Set April 24 to Visit Building Officials

April 24 has been set aside as visit building officials day by Simpson Stoner of Greencastle, Ind., chairman of National Assn. of Insurance Agents fire safety and civil defense committee. On that day members of local associations are to meet with their building officials to discuss ways of being mutually helpful.

Building Officials Conference of American will cooperate in the effort through its president, Arthur N. Rutherford of West Hartford, Conn., who will notify all its members to expect a visit from agents' groups on that day.

Shelby Mutual Revises R.I. Mass. Fields

Shelby Mutual has transferred responsibility for field supervision of Rhode Island, Cape Cod and southeastern Massachusetts to the Providence office. John R. Kremp Jr., who has been with the Kemper companies, will be in charge of this field. He has been in the Maine and western Connecticut territory as a field man for Lumbermens Mutual Casualty.

N. E. Fire Rating Unit Elects New Governors

New England Fire Rating Assn. has elected to its board of governors Arthur L. Polley, vice-president of Hartford Fire, Wilfred G. Howland, vice-president of Springfield F&M., and Arthur F. Herman, vice-president of Home.

George B. Salter, vice-president of Providence Washington, was renamed chairman, and Edward J. Martin, vice-president of Phoenix of Hartford, was reelected vice-chairman. Mr. Salter reported that the association has broadened its license to include multiple lines under Massachusetts fire and marine laws.

He also reported the results of the association's special committee on EC endorsement No. 4: That New England

should adopt the recommendations of Eastern Underwriters Assn. on clarifying the water damage exclusion and on excluding radio and TV aerials; that there should be no promulgation of wave wash coverage and rates now; that there should be no promulgation of flood cover rules or rates now, and that study of rates and possible increases in deductible amounts should be continued.

Insurance Women of Kenosha (Wis.) at their March meeting heard State Agent Edwin H. Knox of Phoenix-Connecticut group explain the various type of dwelling policies and the changes contemplated in them.

Kessler to Head A&S of American Casualty

Albert H. Kessler has been promoted to assistant vice-president of American Casualty of Reading, Pa., in charge of the A&S department, succeeding Darrell O. Smith, vice-president, who headed the department the past 12 years.

Succeeding Mr. Kessler as claims manager of A&S is Calvin Chase. Mr. Kessler joined the company in 1951. Until his promotion, he was claims

manager for A&S on a nationwide basis.

Mr. Chase has been with American Casualty's A&S department since starting with the company in 1947. For the past six years, he has been assistant to Mr. Kessler in A&S claims work.

Weaver to West Bend Mutual

Ralph C. Weaver, formerly marine special agent for Aetna Casualty and Standard Fire at Milwaukee, has been appointed inland marine underwriter for West Bend Mutual Fire.

Thirty-Ninth Annual Statement

December 31, 1955



AMERICAN RE-INSURANCE COMPANY

EDWARD L. MULVEHILL, President

ASSETS

Cash in Banks and Office.....	\$ 6,081,716
United States Government Bonds.....	31,074,109
United States Government New Housing Authority Bonds.....	5,724,557
State and Municipal Bonds.....	14,906,111
Other Bonds.....	2,572,515
Preferred Stocks.....	1,702,100
Common Stocks.....	18,987,100
Real Estate.....	305,000
Mortgage Loans.....	37,885
Premiums in Course of Collection (not over 90 days due).....	3,515,904
Accrued Interest.....	372,977
Other Admitted Assets.....	169,514

TOTAL ADMITTED ASSETS \$85,449,488

LIABILITIES AND SURPLUS TO POLICYHOLDERS

Reserve for Outstanding Losses.....	\$30,124,224
Reserve for Unearned Premiums.....	22,677,316
Reserve for Funds Held Under Reinsurance Treaties.....	2,358,427
Reserve for Commissions, Taxes and Other Liabilities.....	3,059,997
Reserve for Loss Balances in Course of Payment.....	1,262,572
Reserve for Securities Purchased but Undelivered.....	750,000

TOTAL LIABILITIES \$60,232,536

Capital.....	\$ 4,000,000
Voluntary Reserve.....	4,000,000
Net Surplus.....	17,216,952

SURPLUS TO POLICYHOLDERS 25,216,952

\$85,449,488

Valuation of securities on National Association of Insurance Commissioners basis. On basis of actual market quotations for bonds and stocks owned Total Assets and Surplus to Policyholders would at December 31, 1955, be decreased by \$388,902. Securities carried in above statement are deposited as required by law in the amount of \$1,825,819. The sum of \$2,287,105 held in trust for the payment of certain losses is included in "Cash" and reflected in "Reserve for Funds Held Under Reinsurance Treaties."

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99 John Street, New York 38, New York

Uninformed Public Leads to Complaints on A&S, Davey Says

Failure to understand policy coverages and exclusions is the cause of 99% of all claim complaints in the A&S business, Commissioner Davey of Indiana told a meeting of Indianapolis Assn. of A&H Underwriters.

"The public is not as well acquainted with insurance as those in the business often believe," Mr. Davey de-

clared. "The insuring public needs education, and the agent must be the teacher." To do the job properly, the agent must be well informed, something that can be brought about through programs such as disability insurance training course.

Blasting direct-mail insurance selling, Mr. Davey labeled this as nothing but "buying a pig in a poke." He said it hurts agents, the business, the public, and the insurance department. Personal contact, he avowed, is the only way to bring true service to the public.

Mr. Davey emphasized his reference

was to attempts to sell by mail, not to direct mail as a pre-approach for the agent. The latter he identified as a useful adjunct in personal selling as long as it avoids borderline statements. He termed letters used in the life insurance business as a good example of sound pre-approach direct-mail work. "For the most part, that business is using the kind of direct mail that is an asset."

The commissioner also lashed out at federal regulation. "There are not enough abuses in the A&S field for the federal government to get excited," he declared. "At least in Indiana, we do not need the federal government to tell us what to do. It is impossible to have national laws that fit local situations. What abuses there are in the A&S field can be cleaned up by the industry, itself—and I have every confidence it will do so."

Mr. Davey also said he considers the department examination for an A&S agent's license "too easy." He added it will be made more difficult as soon as the department has had time to give the matter adequate study.

NAIC Committee on A&S Cancellation Meets at Cincinnati

CINCINNATI—An accident and sickness industry group headed by Joseph F. Follmann Jr. of Bureau of A&H Underwriters as chairman met here with the A&S policy cancellation subcommittee of National Assn. of Insurance Commissioners to discuss a draft of the study on cancellation initiated by the subcommittee last October. Views of the different segments of the business were presented.

The 11-section, half-inch thick report reviews cancellable and non-cancellable A&S insurance and examines the use and reasons for the cancellation provision and the alternatives. It describes recent voluntary developments and experiments such as expansion of non-cancellation, continuation on the risk despite health deterioration, guaranteed renewable cover with the right to the company to change premiums, substandard coverage, and insurance on older persons.

Members of the subcommittee present were Gillooly, West Virginia, chairman; Pryatel, Ohio; Davey, Indiana, and Stouffer, West Virginia deputy.

FTC A&S Ad Rules to Be Mailed a Week Late

WASHINGTON—The federal trade commission staff has submitted a report to members of the commission on the recent trade practice conference on advertising rules for accident and sickness insurance. The commission will, according to present plans, publicize late this month its ideas of what a code of fair trade practice rules for A&S should be. Industry representatives and state commissioners will have opportunity to present their views at a second public hearing on the subject, target date for which has been announced by Commissioner Lowell Mason as April 18.

Originally, FTC planned to mail out its proposed rules March 19.

Hearing in Ky. on Ad Rules

FRANKFORT—The Kentucky department had a hearing last week on the advisability of adopting rules for accident & sickness insurance advertising.

General Re's 1955 Profits Dip, But Premiums Increase

Underwriting profits of fire and casualty lines dipped slightly in 1955, according to the annual report of Edward G. Lowry Jr., chairman of General Re group. Premiums written increased \$2,954,000 to \$40,297,000, but the combined underwriting loss ratio of 94.86 against the 1954 figure of 93.89 nudged profits down \$44,000 to \$1,696,000.

The group's net investment income before taxes was \$2,834,000 as against \$2,592,000. Profit on sales of securities was \$536,000 and unrealized appreciation on securities held was \$2,962,000. Assets climbed \$7,903,000 to \$117,560,000 and policyholders' surplus rose to \$38,039,000 from \$34,247,000. The surplus has increased 75.9% in the last five years, Mr. Lowry added.

Subscribed capital and surplus funds of the new subsidiary formed last year, Guaranty Reinsurance Co., Ltd., of Nassau, B.W.I., amounted to \$1,802,000.

Concluding his report, Mr. Lowry said: "The growing strength of the group's finances together with new major developments in the insurance industry have fostered during the year considerable expansion of the group's activities."

The group's casualty facultative reinsurance department, organized in 1954 to insure individual risks previously handled in foreign markets, has enjoyed a steady and encouraging growth, he said.

The proposed merger of North Star Re with General Re will be acted upon at the stockholders' meeting April 20.

AIA Pamphlet on Non-Feasibility of Flood Coverage

American Insurance Assn. has issued a pamphlet which puts up in readily readable and understandable form the position of member companies with respect to insurance of flood damage. Entitled *Is Insurance Against Floods and Flood Damage Feasible?* the booklet is designed to furnish a more complete understanding of the reasons underlying the conclusion of companies that the writing of specific flood coverage on fixed location properties is not a feasible insurance undertaking.

The series of questions and answers is aimed at demonstrating the logic supporting the position of the companies and at the same time omits a large portion of the editorial comment found in other expositions of this subject.

Stanley Addresses N.Y. Insurance Buyers

H. Sumner Stanley, general manager of New York Fire Insurance Rating Organization, addressed an open luncheon meeting of New York chapter of American Society of Insurance Management at New York on the functions and operations of fire rating bureaus.



Edward G. Lowry Jr.

STATEMENT OF CONDITION

OF THE

SOUTHWEST GENERAL INSURANCE COMPANY

as of December 31, 1955

ASSETS

*Cash in banks and in office	\$ 614,089.90
*United States government bonds	1,045,234.23
Municipal Bonds	482,423.98
Industrial Bonds	1,020.00
Stocks	1,730,452.75
Real Estate	None
Mortgage loans	75,000.00
Net premiums in course of collection	804,364.26
Premium notes receivable	165,975.98
Accrued interest	7,225.27
Total Assets	\$4,925,786.37

LIABILITIES, CAPITAL AND SURPLUS

Reserve for unearned premiums	\$2,628,253.95
Reserve for losses and loss adjustment expenses	651,898.27
Reserve for taxes	36,893.49
Reserve for general expenses	31,810.22
Other liabilities	11,146.38
Total liabilities, except capital and surplus	\$3,360,002.31
Capital paid up	\$800,000.00
Surplus	765,784.06
Surplus to policyholders	\$1,565,784.06
Total liabilities and surplus to policyholders	\$4,925,786.37

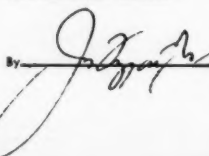
Bonds are carried at amortized values. Stocks are at market values.

*Of the total invested assets, \$590,000.00 par value of bonds and \$50,000.00 cash are deposited with State Authorities for purposes required by law.

We have examined the Balance Sheet of the Southwest General Insurance Company as at December 31, 1955. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet presents fairly the financial position of the Southwest General Insurance Company at December 31, 1955, in conformity with generally accepted insurance accounting principles.

Respectfully submitted,
JOSEPH FROGGATT & CO., INC.
Accountants and Auditors

By  President

Southwest General
INSURANCE COMPANY

Gibraltar Life Building, Dallas, Texas
Southern Department, Atlanta, Georgia

FIRE

CASUALTY

MARINE

AUTOMOBILE

Springfield F.&M. Elects Two Officers as Wright Retires

Charles C. Wright, vice-president and secretary of the corporation of Springfield F.&M. and New England, is retiring, and Herbert P. Almgren, vice-president, has been elected to succeed him. Wilfred G. Howland, vice-president and general counsel, has been elected assistant secretary of the corporation.

Mr. Wright joined Springfield as a mail clerk in 1906. After working in various underwriting departments, he became special agent in Pennsylvania in 1917. He returned to the home office in 1929 as general agent, was elected assistant secretary in 1931, assistant secretary of the corporation in 1932, secretary of the corporation in 1940 and vice-president in 1946.

He served two terms on the governing board of Fire Insurance Rating Organization of New Jersey, was chairman of the committee on uniform forms of Insurance Executives Assn. and for several years was on the governors' board of Insurance Institute of America.

Mr. Almgren joined Springfield in 1940 and after military service became office superintendent. He was elected assistant secretary in 1949, secretary in 1951, assistant vice-president in 1953 and vice-president in 1955.

Mr. Howland joined Springfield in 1951 as general counsel and was elected secretary and general counsel in 1952 and vice-president and general counsel in 1955. He is a member of the board of governors of New England Fire Insurance Rating Assn.

Sues for \$560,051 in Va. Defalcation

Federal savings and loan insurance corporations have filed suits in the federal court at Norfolk, Va., seeking recovery of \$560,051 from friends and relatives of Miss Minnie Mangum, who is charged with embezzling money from Commonwealth Building & Loan Assn. at Norfolk. These suits bring to \$622,227 the sum allegedly diverted by Miss Mangum, former assistant secretary and treasurer of the building and loan association.

Miss Mangum is charged with the embezzlement of \$100,000 from the association. The total deficit at the association has been said to be \$2,919,000.

Walter Dressel Forming New Insurer in Ohio

Walter Dressel, former Ohio superintendent and who until last year was executive vice-president of Motorists Mutual, has incorporated Franklin Fire & Casualty of Columbus. Mr. Dressel said 100,000 shares of stock will be sold at \$10 par to provide \$1 million capital. Other incorporators, also formerly with Motorists Mutual, are E. G. Howard, who was claim supervisor, and P. Denardo, who was assistant general counsel. Dr. R. G. Bennington, a physician of Worthington, O., also is an incorporator. The new company will specialize in automobile and general casualty lines.

WC Head Barred from Fixing Hospital Rates

New York appeals court has reversed lower court decisions permitting the chairman of New York state workmen's compensation board to promulgate a schedule of hospital fees for the care of WC patients.

The chairman set the fee schedule in October, 1954. Hospital associations

instituted proceedings to prevent enforcement of the order. The supreme court denied the application and the appellate division affirmed the lower court's decision in October, 1955. The court of appeals reversed, and held that the chairman had no authority to fix rates.

Medical and claims committee of New York Compensation Insurance Rating Board will discuss medical rates at the next meeting.

Insurance Women of Racine (Wis.) at their monthly meeting heard a discussion of "Investment Opportunities for Business Women" by Dorothy C. White.

Maryland Casualty Elevates Bugbee to Vice-President

James M. Bugbee has been elected a vice-president of Maryland Casualty and Raymond N. Brown, vice-president and treasurer, has been named a director.

Mr. Bugbee has been manager of the automobile department for the past 12 years. As vice-president he will be in charge of automobile underwriting. He joined the company in 1928 as an

underwriter in the liability department after eight years as secretary of Associated Companies of Hartford. He became assistant manager of the automobile department in 1939 and manager in 1944.

Mr. Brown joined the company in 1909 as a bookkeeper in the auditing division. He became assistant cashier in 1910 and cashier in 1916. He was named assistant treasurer in 1918 and treasurer in 1943. He was elected vice-president and treasurer in 1955. In addition to his other duties, Mr. Brown supervises the investment division.

Odor Control Is A Profit Builder!



You can cut the cost of smoke

Fire smoke, charred wood and burnt rubber odors are nuisances and very expensive. Although there may be no evidence of physical damage, odors in upholstery, on walls or other surfaces will convince the owner that irreparable damage has been done. But test after test has proved that these odors in the home, store or plant can be eliminated safely and economically by Airkem Smoke Odor Service.

Odors from fire-charred beams made the destruction of an historic antique floor in an Indiana residence seem inevitable. However, instead of removing the beams which were still sound, Airkem Smoke Odor Service was used. The odors were eliminated and the floor was saved.

Airkem prevented, in another case, the loss of a valued account for an importer by killing smoke odors in 5,000 dozen handkerchiefs. The shipment, destined for the Christmas trade, was contaminated by fire smoke while in transit. Airkem treatment removed the smoke odors and made the items salable, and prevented the loss of important business.

Wherever odors are found, in the air, on a surface or in a product, Airkem has proved its ability to effectively meet the problem. In restaurants, offices and public buildings, Airkem is used to kill cigarette, food and other occupancy odors. Airkem is used as an adjunct to air conditioning to neutralize odors brought in through the system. Industrial plants use Airkem to control exhaust odors and as an additive in odorous products.

Airkem, the true odor counteractant, remedies all these odor conditions quickly, economically and safely.

Mail in the coupon for additional information or free survey. There's no obligation.

AIRKEM, INC., 241 East 44th Street, New York 17, N. Y.

Send me information on ☐ Smoke Odor Service ☐ Air Conditioning Service ☐ Product Odor Control ☐ Sanitary Maintenance ☐ Please have Airkem Field Engineer call.

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Company _____

Address _____

City _____ Zone _____ State _____ NU-36



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your job is **PROTECTION**.....

By offering the services of an insurance agent, you're providing *protection* to your clients, shielding them from loss by a host of accidents and misfortunes.

By offering the most progressive coverage and services, we are providing you with protection that meets your clients' requirements, *economically*. Policies that reflect the basic desire of every business and person to guard against obliterating loss. Practical, common sense policies whose completeness and simplicity enable you to give satisfactory service and build strongly for the future.

It's good to know that professional competence and experience are available—to assist *you*, while you protect others.

Fire Association Insurance Group

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W. W. GREENE, Inc.

REINSURANCE Advisers
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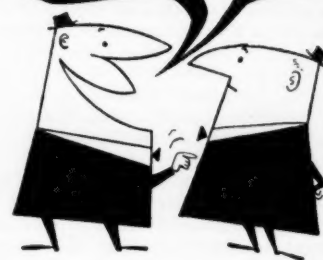
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Convention Dates

March 26-27, Far West Agents conference, annual, Sheraton-Palace hotel, San Francisco.
April 3, Federation of Mutual Fire Insurance Companies, Edgewater Beach hotel, Chicago.
April 3-4, Virginia-D.C. Assn. of Mutual Insurance Agents, annual, Homestead, Hot Springs, W. Va.
April 4, Chicago Insurance Day, Palmer House
April 5-6, Directors of National Assn. of Casualty & Surety Agents, Ambassador hotel, Chicago.
April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
April 8-10, National Assn. of Insurance Agents, midwest territorial conference, St. Paul.
April 8-10, Mutual Agents Assn. of New York, annual, Hotel Syracuse, Syracuse.
April 9, Milwaukee Insurance Day, Hotel Astor.
April 12-13, Health Insurance Assn. of America, organizational and first annual meeting, Netherland Plaza hotel, Cincinnati.
April 13-14, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
April 13-14, Rocky Mountain Territorial Conference, Broadmoor hotel, Colorado Springs.
April 15-17, Mississippi Assn. of Mutual Insurance Agents, annual, Vicksburg hotel, Vicksburg.
April 16, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore hotel, Providence.
April 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savery, Des Moines.
April 22-25, Eastern Agents Conference, annual, Hotel Statler, Hartford.
April 23-25, State National Directors of NAIA, midyear, Hotel Statler, Hartford.
April 30-May 2, Chamber of Commerce of the U.S., annual, Washington, D. C.
April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.
May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.
May 6-8, Florida Assn. of Mutual Insurance Agents, annual, The Colonnades, Riviera Beach.
May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.
May 7-8, Minnesota Assn. of Mutual Agents, midyear, Leamington hotel, Minneapolis.
May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
May 7-9, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.
May 9-11, American Management Assn., insurance conference, Roosevelt hotel, New York.
May 10, Surety Assn. of America, annual, New York.
May 10-12, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.
May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
May 14, National Bureau of Casualty Underwriters, annual, New York.
May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
May 16-18, National Assn. of Insurance Brokers, Boston.
May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
May 20-22, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.
May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.
May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
May 23, Midwestern Independent Statistical Service, annual, Bismarck hotel, Chicago.
May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.
May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
May 23-25, Insurance Company Education Directors Society, annual, Skytop, Pa.
May 24, National Board of Fire Underwriters, annual, Hotel Commodore, New York.
May 27-30, Virginia Assn. of Insurance Agents, annual, Hotel Chamberlain, Ft. Monroe-Old Point Comfort.
May 28-29, Georgia Assn. of Mutual Insurance Agents, annual, King & Prince hotel, St. Simons Island, Ga.
May 28-June 1, National Assn. of Insurance Commissioners, annual, Jefferson hotel, St. Louis.
June 3-5, Tennessee Assn. of Mutual Insurance Agents, annual, Lookout Mountain hotel, Lookout Mountain.
June 4-6, Conference of Mutual Casualty Companies, management meeting, Lake Delavan, Wis.

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... and the system that works is the "Surprise Package" of sales aids already bringing surprising results to Camden Agents. This old line company believes in working with and through the Agent... and proves it with effective help like the "Surprise Package". Send for a sample... then make '56 a better-than-ever year as a Camden Agent.

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Inquiries Invited

Cimarron Insurance Company, Inc.

Cimarron, Kansas



Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Ga. Agents' Licensing Law Requires Apprenticeship, Regulates Qualifications

The new agents' licensing law effective Jan. 1 in Georgia represents success after long effort by Georgia Assn. of Insurance Agents. One of the noteworthy features of it is the issuance of an applicant's certificate by the commissioner after he receives the application for license.

This certificate entitles the holder to solicit and negotiate, but not to sign, contracts of insurance for 90 days. This, it was felt, would necessitate the learner's working with and through a licensed agent and would give some protection to insured.

At the end of the 90 day apprenticeship and upon presentation of a certified statement from the insurer that during the period the applicant has been given some insurance training by the company or through a course approved by the company, he is eligible to take the qualification examination. The commissioner may, at his discretion, waive the 90-day apprenticeship in cases of experienced company men or agents.

Under the law the licensee is limited to 25% of total volume on controlled business. The definition of controlled business is expanded over the former law but does not include business written on risks of which the agent is vendor, as in Ohio.

The law sets the countersignature commission at 25% of the agent's usual commission instead of the 50% in the past. It allows the issuance of limited licenses for automobile physical damage only, bail-bond and release-of-attachment business only, weekly or monthly installment fire insurance only, and limited casualty, not including workmen's compensation and surety, only.

It sets up an advisory board made up of a cross section of the insurance business to recommend to the commissioner such things as contents and form of examinations and study manuals and to make suggestions as to conduct, time and number of examinations.

All violations of the provisions of the law are misdemeanors. This is designed to put teeth in the law and to reduce the number of offenders.

The agent receives only one license card for each class of license held instead of one for each company he represents. In the case of an across-the-board license, only one license card will be issued.

The agent is required to keep, for three years or longer, detailed records of each policy written, depending on the term of the policy, and the insurance department must be given reasonably free access to them. In the case of automobile policies, the record must show the class at which it was written to obviate deliberate and habitual misclassification of automobile risks.

Under the bill service representatives

of a company are allowed to contact insured only in the company of, or directly on behalf of, the licensed agent.

The Georgia association believes the law will prove helpful in the licensing situation and Commissioner Cravey has assured agents that he will enforce it to the hilt.

The association has made repeated attempts during the past six years to get such a bill passed, but each time strong special interests have managed to kill the measure.

After the defeat of the bill in 1955, the commissioner agreed to appoint an all-insurance committee to work out a bill which would improve the situation and, at the same time, not hamper too seriously the operations of any one type of company. This committee met and drafted the bill that was passed.

Markel Safety Camera Lowers Traffic Accidents

Several state and Canadian law enforcement agencies are hailing the Markel safety camera as an accident prevention device.

Charles Ray, vice-president of Markel Service, in a talk before graduates of Northwestern university's traffic institute in Philadelphia, explained that the camera takes pictures which show the speed and other road behavior of an observed vehicle. Mounted in a police patrol car, the camera shoots either still or motion pictures through the windshield. By means of mirrors the camera shows superimposed pictures of the patrol car's speedometer, odometer and clock in the corner of every photograph. The camera, Mr. Ray said, can be used day or night time, providing there is sufficient illumination to permit exposure.

He said the camera is being used under leasing arrangements by North Carolina state highway patrol, Midland, Mich., police department, Salt Lake City police department, Royal Canadian mounted police and Toronto police department. In addition, American Arabian Oil Co. is using the camera in Saudi Arabia to police and protect its own fleet of vehicles.

Mr. Ray said that police using the camera have found that motorists prone to protest a summons for a traffic offense rarely do so when confronted with the picture evidence. He added that the camera is cutting the accident rate of trucks and buses insured by the Markel Service to less than one half the rate for all such vehicles in the country.

W. E. McKell, president of American Surety, entertained a group of company special agents at a dinner during a field seminar in New York City.

Babaco Was Born When Jack Seide's Jewelry Was Swiped

This year Babaco alarm systems are 25 years old. The idea originated when Jack Seide, president of today's Babaco, was a jewelry salesman and had his car looted of his wares.

Boiling mad, Mr. Seide rigged up a contraption that would sound a loud alarm when anyone tampered with his car. This was the start of the Babaco system. Today few thieves will touch a truck that has the Babaco sign on it—and there are a lot of them that carry the sign, to the comfort of truckers, shippers, underwriters and agents. Hijackers have a lot of respect for them. In New York City one night two trucks were stolen from a parking lot—the only two which were not equipped with alarms. When a truck door is jimmied, or a window broken, or the truck towed away—the siren lets loose a loud, piercing wail.

The mechanical watchdogs, made in the heart of New York City's trucking district, consist of relay systems, sirens, control units and a specially designed 12-volt battery. The latter is capable of running a siren continuously for four hours.

Each alarm meets a tough test. An electronic machine jars and jolts each unit 15 minutes, which is equivalent to a year's experience in a truck. Another device checks performance in extremes of temperature; another puts each alarm contact through what amounts to 50,000 door (or window) openings. Finally a worker attacks siren housing with hammer, chisel and other assorted burglar tools.

A few years ago thieves of truck cargo developed a method of stealing parked trailers by unhitching them, hooking on their own tractors and driving them away. Babaco's engineering department devised a "parker" for the alarm so that when anyone but the authorized driver tries to move a truck or trailer the siren goes off. A thief can't drive the truck away because the engine is dead and the clutch frozen.

Babaco leases its alarms so that it can continue maintenance, which is accomplished at the New York plant and at offices over the country. The company maintains service records which are available to underwriters, and these often are consulted because good experience earns truckers rate savings.

American F.&C. Sign Is Temperature Clock

A time and temperature radio controlled clock, said to be the world's largest, has been put into operation on the home office building of American Fire & Casualty at Orlando, Fla. The clock and sign rise 40 feet on top of the building. It is 40 by 40 feet and stands 120 feet above the street.

The time is controlled by a master

short wave radio clock which receives its time signals from the U. S. naval observatory and is expected to be accurate within one second a day. The temperature is controlled by a master thermometer and indication control system in a sealed, ventilated box on top of the building. It has been calibrated by the U. S. weather bureau and its accuracy will be maintained. Every 30 seconds the time and temperature will flash on automatically, appearing on flasher banks of lights with numerals five feet high. It will give the temperature from the range of 130 degrees to 30 degrees below zero.

Professor Advises Agents to Deliver Payments Personally

Payment of claims is one of the best public relations opportunities agents have, but few take time to deliver checks personally. Dr. John S. Bickley, associate professor of insurance at Ohio State university, declared at the annual banquet of Camden County (N.J.) Assn. of Insurance Agents.

He said that when agents deliver payments they are afforded a chance to know their policyholders more thoroughly and an opportunity to review their insurance needs.

Other speakers were Edward Oberman, assistant dean of American Institute; Harold Conover, assistant chief of the license division of New Jersey insurance department, and Charles J. Unger, executive secretary, and John Sherry of Bridgeton, president, both of the state association.

N.Y. Insurance Area to Get Huge Building

S. Friedenberg & Son, New York real estate firm specializing in insurance district properties, has modified its original plans and will build the largest office in the John street area at William and John streets. Scheduled for completion in January, 1958, the building will have 700,000 square feet of space on 31 floors.

Original plans called for construction of a 25 story building on an L-shaped plot surrounding the 20-story Crum & Forster building. However, the realtors obtained a 99 year leasehold from Crum & Forster and will integrate the existing building with the new structure.

Dental Care Termed Insurable in Pa.

Pennsylvania has passed a law making dental care a specific subject of insurance. The Bulletin of Insurance Agents & Brokers Assn. of Philadelphia & Suburbs comments:

"Who will organize the insurance companies to write prepaid dental insurance? Will they be clean and wholesome, or drift into the hands of labor racketeers?"

"Eye care insurance is written in Illinois and is trying to creep into Pennsylvania without the blessing of the insurance department."

"Will hearing care be next? And how about fallen arches and loss of hair?"

Companies Report on 1955 Results

Surplus in the following company reports refers to surplus to policyholders.

American Bankers, Miami—Assets, \$6,246,405; inc., \$1,797,077; loss res., \$507,023; unearned prem., \$4,112,826; capital, \$602,500; surplus, \$1,140,686; inc., \$238,280.

	Premiums Earned	Losses Incurred
Inland marine	55,255	14,137
Chattel mortgage	29,082	154
Auto phys. dam.	4,131,214	1,968,144
Total	4,215,551	1,982,435

American Independent Mutual Casualty, Pa.—Assets, \$155,917; inc., \$15,157; loss res., \$7,993; unearned prem., \$113,526; capital, \$98,871; surplus, \$20,136; inc., \$2,492.

	Premiums Earned	Losses Incurred
A&S	293,840	83,830
Hosp. & med.	292,042	187,687
Non-can. A&S	507,614	71,125
Total	1,093,497	342,643

American Title—Assets, \$7,731,112; inc., \$2,577,995; loss res., \$333,112; unearned prem., \$2,562,623; capital, \$1,250,000; surplus, \$3,005,189; inc., \$1,782,351.

	Premiums Earned	Losses Incurred
Fire	735,107	321,232
Extended coverage	512,378	100,888
Other allied lines	13,002	3,417
Earthquake	11,108	778
Crop-hail	123,655	85,534
Inland marine	10,813	4,910
Industrial fire	470,221	195,641
Workmen's comp.	45,138	25,799

	Premiums Earned	Losses Incurred
Liability (not auto)	12,888	5,902
Auto liability	59,840	53,000
Auto PDL	33,730	18,190
Auto phys. dam.	69,671	30,898
PDL (not auto)	4,349	546
Surety	42,036	—2,139
Glass	1,455	149
Burglary & theft	4,052	1,585
Title	350,265	5,806
Total	2,499,708	852,136

Assurance of N. Y.—Assets, \$7,418,421; inc., \$792,341; loss res., \$460,759; unearned prem., \$3,476,331; capital, \$1,000,000; surplus, \$3,108,427; inc., \$197,926.

	Premiums Earned	Losses Incurred
Fire	1,103,432	358,873
Extended coverage	551,729	258,737
Other allied lines	7,804	971
Earthquake	409	—
Inland marine	42,314	27,050
Liability (not auto)	6,970	4,001
Auto liability	112,815	74,385
Auto PDL	57,768	40,645
Auto phys. dam.	1,236,438	627,976
Glass	2,169	403
Burglary & theft	598	133
Homeowners liab.	10,334	2,393
Total	3,132,781	1,395,568

Atlantic Casualty—Assets, \$7,296,871; inc., \$1,070,902; loss res., \$1,794,788; unearned prem., \$2,736,436; capital, \$1,000,000; surplus, \$2,217,348; inc., \$58,736.

	Premiums Earned	Losses Incurred
Accident	160,182	33,984
Liability (not auto)	13,328	4,320
Auto liability	1,057,378	643,978

	Premiums Earned	Losses Incurred
Auto PDL	1,163,245	354,102
Auto phys. dam.	1,031,870	232,450
Medical payments	394,133	62,506
Auto fire, theft	372,734	173,401
Total	4,792,870	1,504,741

Central Surety—Assets, \$20,708,973; inc., \$521,726; loss res., \$5,739,466; unearned prem., \$6,190,714; capital, \$2,000,000; surplus, \$6,908,799; inc., \$409,680.

	Premiums Earned	Losses Incurred
Fire	443,569	195,520
Extended coverage	273,906	83,206
Other allied lines	4,125	1,333
Excess of loss	12,022	8,870
Earthquake	269	10
Multiple peril	8,931	2,429
Inland marine	34,993	21,190
PPF	61,642	24,942
Accident	5,702	102
Group A&S	1,492	—61
Workmen's comp.	1,854,011	825,554
Liability (not auto)	798,795	253,369
Auto liability	2,537,798	1,157,960
Auto PDL	1,472,076	625,874
Auto phys. dam.	1,429,283	595,496
PDL (not auto)	189,417	67,022
Fidelity	164,385	19,013
Surety	298,261	93,388
Glass	155,330	48,187
Burglary & theft	183,064	37,491
Credit	19,742	—
Total	10,479,821	4,160,904

Colonial, Los Angeles—Assets, \$2,609,488; inc., \$152,896; loss res., \$1,129,007; unearned prem., \$453,387; capital, \$200,000; surplus, \$794,033; inc., \$209,234.

	Premiums Earned	Losses Incurred
Workmen's comp.	18,585	—
Liability (not auto)	40	—
Auto liability	908,263	417,616
Auto PDL	522,357	258,382
Auto phys. dam.	487,752	321,007

	Premiums Earned	Losses Incurred
PDL (not auto)	33	—
Auto other	2,995	—430
Total	1,921,440	1,014,160

Cosmopolitan Mutual Fire—Assets, \$878,033; inc., \$49,572; loss res., \$30,071; unearned prem., \$221,521; special contingent surplus, \$100,000; surplus, \$588,885; inc., \$9,889.

	Premiums Earned	Losses Incurred
Fire	150,760	44,377
Extended coverage	24,417	23,066
Other allied lines	1,127	145
Inland marine	18,288	5,329
Auto phys. dam.	34,720	15,337
Total	229,315	88,195

Fire & Casualty of Connecticut—Assets, \$5,781,219; dec., \$180,965; loss res., \$227,544; unearned prem., \$2,840,543; capital, \$1,000,000; surplus, \$1,048,270; inc., \$381,278.

	Premiums Earned	Losses Incurred
Fire	267,382	171,156
Extended coverage	94,668	12,126
Other allied lines	5,686	1,562
Earthquake	3,957	12
Inland marine	3,380	2,623
Auto liability	—	9,000
Auto PDL	—	9,000
Auto phys. dam.	1,235,186	765,547
Homeowners	1,793	—
Total	1,612,252	971,541

Firemen's Mutual, R. I.—Assets, \$49,052,583; inc., \$790,145; loss res., \$2,383,175; unearned prem., \$23,874,418; Guaranty Fund, \$500,000; surplus, \$21,194,371; dec., \$425,010.

	Premiums Earned	Losses Incurred
Fire	14,903,226	5,992,682
Extended coverage	132,579	11,842
Other allied lines	38,899	1,336
Earthquake	1,809	—
Total	15,076,512	5,995,230

Grange Mutual Casualty, Ohio—Assets, \$8,396,217; inc., \$1,492,784; loss res., \$2,308,180; unearned prem., \$2,231,114; surplus, \$3,469,201; inc., \$772,225.

	Premiums Earned	Losses Incurred
Fire	85	—
Extended coverage	46	—
Comprehensive	657,962	325,550
Accident	38,594	8,174
Hospitalization	878,225	678,754
Hosp. & med.	16,674	4,414
Liability (not auto)	66,561	23,244
Auto liability	1,479,094	1,328,178
Auto PDL	1,274,593	853,494
Auto phys. dam.	2,371,066	1,461,721
PDL (not auto)	42,752	11,930
Cargo	10,102	1,626
Death of livestock	5,444	1,324
Medical payments	473,367	236,981
Total	7,314,565	4,935,380

Hardware Dealers Mutual Fire, Wis.—Assets, \$32,143,441; inc., \$408,656; loss res., \$1,025,465; unearned prem., \$16,646,758; surplus, \$12,003,924; inc., \$66,128.

	Premiums Earned	Losses Incurred
Fire	10,478,525	3,291,572
Extended coverage	3,194,258	1,730,685
Other allied lines	14,398	4,532
Earthquake	8,276	—5
Inland marine	770,855	319,795
Multiple line NOC	110,814	60,651
Auto phys. dam.	1,414,996	423,163
Excess loss reins.	—124,193	138,377
Total	15,887,929	5,968,772

Hardware Mutual Casualty, Wis.—Assets, \$73,984,972; inc., \$3,038,699; loss res., \$27,790,962; unearned prem., \$21,729,029; surplus, \$14,363,286; inc., \$52,646.

	Premiums Earned	Losses Incurred
Accident	60,357	15,413
A&S	821,274	621,703
Hosp. & med.	302,711	265,212
Group A&S	6,543,515	5,911,231
Workmen's comp.	14,314,194	7,618,970
Liability (not auto)	2,570,655	1,107,068
Auto liability	17,902,953	10,323,635
Auto PDL	8,857,172	4,280,960
Auto phys. dam.	9,511,922	3,915,730
PDL (not auto)	814,298	381,656
Glass	467,291	224,716
Burglary & theft	437,026	225,846
Excess loss reins.	121,482	96,835
Total	62,724,850	34,988,915

Home Indemnity—Assets, \$64,596,959; inc., \$4,130,106; loss res., \$20,219,977; unearned prem., \$18,670,374; capital, \$1,500,000; surplus, \$22,558,070; inc., \$2,510,071.

	Premiums Earned	Losses Incurred
Other allied lines	2,925	72
Accident	299,322	120,027
Group A&S	181,023	109,857
Workmen's comp.	4,513,243	2,322,872
Liability (not auto)	4,893,404	1,496,419
Auto liability	12,695,633	7,209,001
Auto PDL	6,532,121	2,908,980
Auto phys. dam.	201,658	93,714
PDL (not auto)	571,397	157,639
Fidelity	653,456	246,070
Surety	837,571	137,826
Glass	720,390	309,475
Burglary & theft	1,665,439	72,468
Total	33,787,584	15,636,340

Hudson—Assets, \$3,638,727; inc., \$237,535; loss res., \$251,919; unearned prem., \$1,082,237; capital, \$600,000; surplus, \$2,349,534; inc., \$258,939.

	Premiums Earned	Losses Incurred
Fire	643,947	314,444
Extended coverage	196,084	123,199
Other allied lines	8,503	185
Earthquake	8,420	80
Inland marine	109,100	58,297
Accident	100	5
Workmen's comp.	507	203
Liability (not auto)	739	215
Auto liability	—596	998
Auto PDL	—2	—
Auto phys. dam.	38,064	24,239
Aircraft PHD	3,205	1,635
PDL not auto	249	32
Surety	526	—
Multiple peril	2,973	1,174
Total	1,011,903	524,707

Forty-Third Annual Statement

December 31, 1955

Assets

United States Government Securities	\$ 4,191,153
Industrial, Rail, Utility, and other Bonds	19,327,611
Bank Stocks	920,710
Industrial and Utility Stocks	9,005,338
Accrued Interest on Investments	139,484
Cash in Banks and Offices	2,492,597
Premiums Due (Not Over 90 Days)	587,872
Other Assets	43,739
Total Admitted Assets	\$36,708,504

Liabilities

Reserve for Unpaid Claims	\$17,478,362
Reserve for Unearned Premiums	4,650,130
Reserve for Taxes, Expenses and Unabsorbed Premium Refund	3,417,729
Reserve for all Other Liabilities	2,265,026
Reserve for Market Decline in Securities	2,500,000
Guaranty Fund	1,000,000
Unassigned Funds	5,397,257
Total Surplus to Policyholders	8,897,257
Total Liabilities and Surplus	\$36,708,504

Valuation of securities on National Association of Insurance Commissioners Basis.
Securities carried at \$679,325.08 in this statement are deposited as required by law.

REINSURANCE

Fire • Casualty • Fidelity • Surety

Security Mutual Casualty Company

HOME OFFICE
309 West Jackson Boulevard
Chicago 6, Illinois

NEW YORK OFFICE
259 West 14th Street
New York 11, N. Y.

Losses
incurred
\$1,430
0.014,160878,053,
prem.,
00,000;44,377
23,006
145
13,329
13,337
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12,126
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2,623
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09,201,25,550
8,174
778,754
4,414
23,244
28,178
53,484
61,721
11,930
1,626
1,324
36,981
35,380Assets,
25,465;
2,003,-91,572
30,685
4,532
-5
19,795
60,651
23,163
38,377
68,772Assets,
7,900,-
\$14,-15,413
21,703
65,212
11,231
18,970
07,068
23,635
80,960
15,730
81,656
24,716
25,846
96,835
88,915incr.,
prem.,
2,558,-72
20,027
09,637
22,872
98,419
09,001
08,980
93,714
57,639
46,070
37,626
09,475
22,408
36,3407,535;
2,237;
\$258,-14,444
23,199
185
80
58,297
5
203
215
988
-2
24,239
1,635
32
174
24,707

Illinois Mutual Casualty—Assets, \$2,350,382, inc., \$316,068; loss res., \$461,000; unearned prem., \$848,688; surplus, \$899,061, inc., \$35,865.

Premiums Earned 3,381,323 Losses Incurred 1,817,862

A&S

Indiana Farmers Mutual—Assets, \$2,660,925, inc., \$157,126; loss res., \$159,388; unearned prem., \$1,172,520; surplus, \$1,237,885, decr., \$72,556.

Fire 752,501 378,671
Multiple peril 1,275,580 731,770
4 H Club 9,015 3,564
Crop-hall 1,029 1,314
Contingent WC 2,645 618
C.F.L. Family Med. 723 3,870
C.F.L. Livestock 4,218 694
C.F.L. Emp. Med. 1,406 1,754
Workmen's comp. 2,253 352
Liability (not auto) B.I. 2,312 352
Auto liability B.I. 14,316 455
Auto liability P.D. 42,185 32,181
Auto phys. dam. 33,671 31,901
PDL (not auto) 86,973 47,265
C.F.L. Emp. Liab. 7,674 4,507
C.F.L. Medical 9,002 598
Auto Medical 4,335 1,497
Auto comprehensive 16,663 9,990
Total 23,841 12,632
Total 2,290,342 1,263,633

National Farmers Union Property & Casualty, Denver—Assets, \$6,092,399, inc., \$448,090; loss res., \$1,903,618; unearned prem., \$2,179,966; capital, \$650,000; surplus, \$1,211,981, inc., \$184,071.

Fire 306,680 219,021
Extended coverage 187,172 160,000
Other allied lines 4,410 1,783
Crop-Hall 193,610 125,464
Liability (not auto) 57,134 22,499
Auto liability 1,340,062 541,829
Auto PDL 1,100,298 420,766
Auto phys. dam. 2,497,734 1,155,088
PDL (not auto) 19,298 12,160
Auto medical 533,224 179,117
Other than Auto Med. 40,199 30,709
Total 6,279,821 2,868,426

Northern of New York—Assets, \$56,351,443, inc., \$7,442,814; loss res., \$3,735,790; unearned prem., \$26,428,437; capital, \$3,300,000; surplus, \$23,940,709, inc., \$3,223,770.

Fire 9,523,990 3,601,581
Extended coverage 4,850,574 2,544,459
Other allied lines 52,422 18,893
Earthquake 14,773 522
Liability (not auto) 814,981 425,906
Auto liability 54,097 25,785
Auto PDL 1,373,859 689,736
Auto phys. dam. 711,650 374,790
Glass 5,853,620 2,737,449
Burglary & theft 8,576 2,683
Homeowners liab. 9,259 2,371
Total 23,602,789 10,564,940

Northern Security, Vermont—Assets, \$280,279, loss res., \$3,463; unearned prem., \$7,469; capital, \$200,000; surplus, \$258,004.

Fire 60,670 16,194
Extended coverage 9,275 2,588
Other allied lines 20 12
Homeowners 119 12
Inland marine 361 5,952
Auto phys. dam. 13,981 2
Glass 2 8
Burglary & theft 29 8
CPL 84,468 24,747
Total 84,468 24,747

Oklahoma Farm Bureau Mutual—Assets, \$3,882,967, inc., \$88,822; loss res., \$820,135; unearned prem., \$1,094,976; surplus, \$1,573,369, inc., \$15,284.

Fire 242,217 98,859
Extended coverage 228,477 162,204
Other allied lines 6,116 6,894
Crop-Hall 78,958 68,739
Liability (not auto) 78,342 28,640
Auto liability 764,084 518,635
Auto PDL 371,486 271,788
Auto phys. dam. 1,850,211 1,015,088
Combine (except BI) 39,718 42,120
4-H & FFA 1,414 1,401
Total 3,661,027 2,214,371

Prudential—Assets, \$14,758,294, inc., \$2,193,812; loss res., \$1,259,598; unearned prem., \$5,411,189; capital, \$1,500,000; surplus, \$7,108,908, inc., \$2,168,725.

Fire 3,219,736 1,572,219
Extended coverage 980,430 615,997
Other allied lines 42,515 926
Earthquake 42,099 399
Inland marine 545,499 291,487
Accident 500 25
Workmen's comp. 2,537 1,015
Liability (not auto) 3,683 1,079
Auto liability -2,978 4,990
Auto PDL 10 8
Auto phys. dam. 190,322 121,194
Aircraft PHD 16,423 8,187
PDL (not auto) 1,246 160
Surety 2,630 5,869
Multiple peril 14,867 2,623,539
Total 5,059,519 2,623,539

Rural Mutual Casualty, Madison—Assets, \$3,247,720, inc., \$372,832; loss res., \$861,708; unearned prem., \$927,263; guaranty fund, \$312,500; surplus, \$1,153,171, inc., \$265,554.

Fire 45,068 16,676
Extended coverage 13,800 2,219
Other allied lines 20,504 4,893
Accident 5,880 1,665
Liability (not auto) 382,231 266,784
Auto liability 257,884 147,754
Auto PDL 947,754 524,496
Auto phys. dam. 370,942 230,154
PDL (not auto) 829,866 364,511
Total 3,195 12,896
Total 2,907,239 1,572,052

Sequoia—Assets, \$2,430,999, inc., \$77,445; loss res., \$383,500; unearned prem., \$897,510; capital, \$450,000; surplus, \$850,837, decr., \$155,087.

Premiums Earned 1,339,597 Losses Incurred 695,455

Fire 242,665 71,943
Extended coverage 27,522 17,182
Earthquake 1,134 1,783
Liability (not auto) 157,825 73,208
Auto liability 374,435 232,544
Auto PDL 189,294 103,895
Auto phys. dam. 278,375 172,125
PDL (not auto) 23,052 8,874
Glass 8,244 3,631
Burglary & theft 17,532 6,840
Misc. fire 12,127 5,214
Homeowners 7,393 2,314
Total 1,339,597 695,455

Skandia—Assets, \$12,049,349, inc., \$1,320,533; loss res., \$1,007,678; unearned prem., \$4,328,951;

Fire 2,575,789 1,237,774
Extended coverage 784,336 492,788
Other allied lines 34,012 741
Earthquake 33,679 319
Inland marine 436,399 233,190
Accident 400 21
Workmen's comp. 2,030 813
Liability (not auto) 2,954 864
Auto liability -2,382 3,992
Auto PDL 8 8
Auto phys. dam. 152,237 96,955
Aircraft PHD 13,138 6,549
PDL (not auto) 997 129
Surety 2,104 4,895
Multiple peril 11,894 2,098,832
Total 4,047,615 2,098,832

deposit, \$250,000; surplus, \$6,167,646, inc., \$1,388,226.

Premiums Earned 2,575,789 Losses Incurred 1,237,774

Fire 2,575,789 1,237,774
Extended coverage 784,336 492,788
Other allied lines 34,012 741
Earthquake 33,679 319
Inland marine 436,399 233,190
Accident 400 21
Workmen's comp. 2,030 813
Liability (not auto) 2,954 864
Auto liability -2,382 3,992
Auto PDL 8 8
Auto phys. dam. 152,237 96,955
Aircraft PHD 13,138 6,549
PDL (not auto) 997 129
Surety 2,104 4,895
Multiple peril 11,894 2,098,832
Total 4,047,615 2,098,832

Vermont Mutual Fire—Assets, \$3,262,863, inc., \$35,459; loss res., \$160,515; unearned prem., \$1,958,860; surplus, \$1,001,214, decr., \$23,667.

Premiums Earned 1,225,932 Losses Incurred 449,855

Fire 1,225,932 449,855
Extended coverage 212,024 55,825
Other allied lines 615 686
Homeowners 37,500 11,464
Inland marine 803,841 425,115
Auto phys. dam. 155 250
Glass 100 6
Burglary & theft 135 10
CPL 285 10
Total 2,289,003 943,532

Insurance Women of Green Bay (Wis.) at a meeting in DePere heard W. L. Hadrlick of Northwestern Mutual.



Here comes 60,000 cubic feet of foolproof burglar protection!

Burglars, beware! Inside these suitcases is the most fantastic, absolutely foolproof burglar trap ever devised—the Kidde Ultrasonic Burglar Alarm System.

Called "ultrasonic" because it employs waves of sound too high in frequency to be detected by the human ear, the Kidde system *completely* protects any given area from invasion of *any* kind. Unlike ordinary perimeter protection, the Kidde system gives full wall-to-wall, floor-to-ceiling protection—at only a fraction of the cost of other more complicated installations.

If its sensitive, "silent sound" wave pattern is disturbed in any way—by a burglar trying to break in through a door, window, floor or ceiling—the system is triggered instantly. Even a lock-in doesn't stand a chance. Once the system is turned on, his first move sounds the alarm!

The Kidde system is unbeatable. It cannot be bypassed in any way, and tamper-proof switches sound an alarm in case of attempted sabotage. Easy to install and simple to operate, the Kidde system gives the most *flexible* protection on the market today. Properly installed, a permanent Kidde system qualifies for an Underwriters' Laboratories Number Two Classification.

For more information on this exciting new kind of burglar protection, write today for Kidde's Ultrasonic Burglar Alarm Booklet or contact your U.L.-approved Central Station or local alarm company.

Kidde

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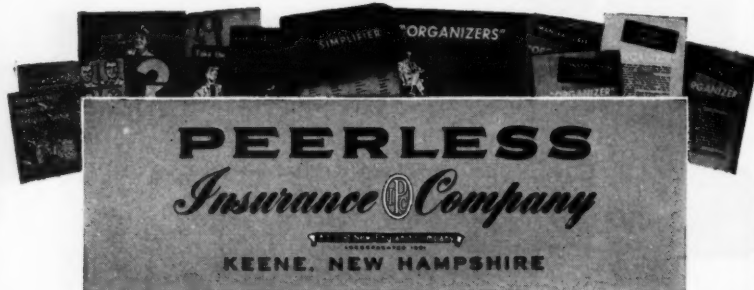
Walter Kidde & Company, Inc., 344 Main St., Belleville 9, N. J.
Walter Kidde & Company of Canada, Ltd., Montreal—Toronto

WHEN YOU SELL THE MODERN PEERLESS WAY

*Wasted
Effort
Down!*

*Sales
Up!*

Peerless Agents do a more efficient selling job, because they use Peerless' modern, effective selling tools... the "ORGANIZER" (for the sale of Fire, Casualty and Bonding protection) and "SIMPLIFIER" (for the sale of Fidelity and Surety Bonds)... to sell clients and prospects more complete insurance and surety bond coverages. Nothing is left to chance or memory in these up-to-date selling aids that help agents **sell more, earn more**. Write for details on how these Peerless Sales Tools can be put to work for you!



PEERLESS
Insurance Company
KEENE, NEW HAMPSHIRE

Spalding Address Extolls Career in Fire Prevention

F. W. Spalding, western department secretary of Springfield F.&M., said a career in fire protection work offers unlimited opportunities in his address at West Virginia Insurance Day in Huntington.

"From a monetary standpoint," Mr. Spalding stated, "it has been my observation that the rewards in the profession are comparable to and in many cases superior to that offered by industry in general."

He said fire protection can produce a deep sense of satisfaction because fire protection and fire prevention are so closely related as to be synonymous. To protect against fire means not only to engineer, design, instruct, install and train to eliminate unfriendly fires, but when fire does occur, to extinguish with little or no damage. Good fire protection practices prevent large, useless property losses and prevent needless loss of life.

Mr. Spalding defined fire protection as the conservation of life and property and said it starts with the architect and results in new products, stricter community codes and safer homes.

He noted that the fire protection profession helps solve nationwide life safety problems. As an example he pointed to the Cleveland clinic fire many years ago after which practically every hospital in the country was inspected. From the inspections came a safe method of storing nitrate x-ray film and the ultimate universal use of safety film in x-rays. He added that the inspections also resulted in enclosed stairways in hospitals and homes for the aged.

Commenting on openings in the fire protection field, Mr. Spalding said state insurance rating bureaus are always on the lookout for intelligent trainees. He pointed out that the bureaus train recruits in the fundamentals of inspection, construction and protection. He added that the majority of the larger fire insurance companies maintain engineering staffs and afford opportunity for the beginning fire protection engineer. Many of the larger corporations train men in the protection phase of the business if

they are otherwise basically grounded through experience or education. He noted that Illinois Tech offers a full course in fire protection engineering and observed that several fire insurers and rating bureaus sponsor a substantial number of scholarships in fire protection.

"For those who wish to devote their lives to the technical or research side, the opportunities in fire protection are unlimited," Mr. Spalding continued. "For those who wish to combine technical knowledge with the sales approach, the horizon is just as broad." He said that many have branched out into underwriting, adjusting and field work for insurance companies while others are successful as local agents.

He said that fire protection work is fun, which is a necessary part of a successful career. It also provides a dignified and financially successful way of life. But more important is the sense of satisfaction that a fire protection engineer receives practically every day of his life in the knowledge that he is part of a profession that has aided in saving lives and preventing the needless and wanton waste of property.

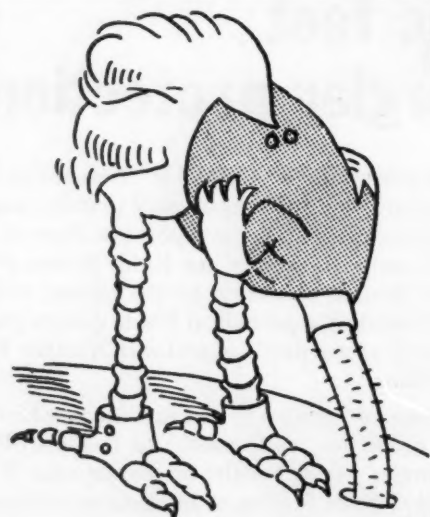
Agency Solicitors Are Under Unemployment Law

New Jersey supreme court has ruled that solicitors employed by insurance agents are covered by the state unemployment compensation law. The court affirmed an order by the state division of unemployment security requiring William H. Goldberg & Co. of Trenton to pay unemployment taxes for Carl J. Perschelli, one of the firm's solicitors from 1949 to 1952.

The court admitted that the law does exclude insurance agents compensated wholly on a commission basis, but added that the law specifically defines an insurance agent and does not include an employed solicitor in that definition.

Johnson & Higgins, international brokers, have opened offices in Rio de Janeiro and San Paulo, Brazil, under the corporate title of Johnson & Higgins-Deltec, S. A. The new facilities bring to 24 the number of offices operated by the company in North and South America.

Insurance Women of El Paso at their March meeting heard a discussion of insurance education by William Brewster, economics professor at Texas Western college.



FACE THE FACTS! — — — ABOUT YOUR INSURANCE BUSINESS USE THE OFFICE THAT SPECIALIZES

BODILY INJURY—PROPERTY DAMAGE, FIRE, THEFT AND COLLISION

Taxicabs
Livery Cars
U-Drive-It Cars
Motor Busses
Motor Bikes
Motorcycles
Local Trucks

Long Haul Trucks
Bob-Tail-Dead Heading
Gasoline Haulers
Live Stock Haulers
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Minimum Wage Rise Affects Agencies

The *Georgia Cracker*, publication of Georgia Assn. of Insurance Agents, calls attention to the fact that on March 1, the minimum wage of workers, including those in local agencies, went from 75 cents an hour to \$1.

Unless specifically exempted, all covered employees must be paid the minimum, whether they are paid by the hour, by salary or otherwise. Exempted employees are executives, administrative employees and outside salesmen; learners, apprentices and handicapped workers.

Covered employees get time and a half for more than 40 hours worked in any one week. If the employee is paid straight time pay for the given number of hours in a work week, the rate is obtained by dividing the salary by the number of hours regular worked in each week. If paid on other than a weekly basis, the weekly pay must be determined to compute at the regular rate and overtime. Each work week stands alone—employment for two or more weeks cannot be averaged. Records of hours, pay, and employees' personal information, etc., must be kept available for inspection by the wage and hour division of the Labor Department.

Court Refuses to Set Aside \$150,000 Award

Rhode Island federal court refused to set aside a \$150,000 jury award to a Pawtucket crane oiler in a negligence suit brought against Turner Construction Co. of New York.

The judge, in a written opinion, indicated the verdict of the jury was not so grossly excessive as to shock the court's sense of justice.

The crane oiler, John R. Houlihan, 42, was employed by the W. J. Haloran Co. and he was severely injured when a bucket containing about two tons of cement suspended from a crane knocked him to the ground. He was hospitalized 15 months. The Haloran company was a sub-contractor of the Turner company.

Coleman Standard Accident Director, Doyle Advanced

John S. Coleman, president of Burroughs Corp., has been elected a director of Standard Accident and Planet, and Bernard K. Doyle, executive secretary in charge of claim operations for the companies, has been made assistant vice-president.

Mr. Doyle started with Standard in 1930 as a legal advisor and adjuster and in 1940 was made assistant superintendent of claims. He was made manager of casualty claims in 1945 and executive secretary in 1954 in general control of casualty claim operations including executive authority and responsibility.

Western Casualty Declares One for Nine Dividend

Western Casualty & Surety has declared a stock dividend of one share for each nine shares held payable April 14 to stockholders of record April 2.

Newhouse & Hawley Hold Course

Newhouse & Hawley of Chicago held a training school on life, A&S and group coverages for brokers at Highland Park, Ill. This was the first of a series of courses to be held the next two years.

Instructors were Richard Markham, director of training, and Robert Webb, assistant director of agencies, of the Union Mutual Life home office. The

life department of Newhouse & Hawley, operating as the L. F. Hawley agency with M. E. Farris as vice-president and manager, represents Union Mutual in Cook and Lake counties.

Ex N. C. Deputy to Seek Election

Charles Hostetler, deputy insurance commissioner of North Carolina from 1952 to 1955, has announced his candidacy for the Hoke county seat in North Carolina general assembly. He is currently practicing law in Hoke county. Rep. Green, Hoke county incumbent, will not seek re-election.

Philadelphia Unit Appoints Bartley

Insurance Society of Philadelphia has appointed William H. Bartley manager succeeding Henry Preston, who has retired.

Mr. Bartley started in insurance in 1902 with E.R. Hunt & Co., Philadelphia agency. He joined Philadelphia Casualty and continued until it was taken over by Fidelity & Deposit in 1916. He went to Maryland Casualty and in 1920 was named Philadelphia

bond department manager. He is past president of Surety Underwriters Assn. of Philadelphia.

Los Angeles Casualty Adjusters Hear Attorney

California supreme court decisions holding that members of a family may institute suits against other members of the family in accident cases were discussed by Malcolm Archibald, Los Angeles attorney, at the March meeting of Los Angeles Casualty Adjusters Assn.

THEY STAY WITH US

Every growing business has the normal experience of getting new customers and losing occasionally some old ones. A certain amount of this is inevitable.

In our own case, we are able to report that from the time we began publication in 1897, we have had a steady increase in the number of our advertisers and readers. They have joined us in growing numbers, but what is even more important in the long run, they have stayed with us.

As a result, for many years we have had the highest renewal ratio of any insurance paper belonging to the Audit Bureau of Circulations. Aware of this, our advertisers renew and often increase their contracts year after year.

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N. Y. Mutual Agents Plan Busy Session

Ralph W. Carney, former vice-president and sales manager of Coleman Co. of Wichita, will be the featured speaker at the annual convention of Mutual Agents Assn. of New York April 9-10 at Hotel Syracuse in Syracuse, N.Y. He will talk on sales ideas at the formal opening luncheon April 9.

The convention will start with an Empire State 1752 Club meeting and a cocktail hour the evening of April 8.

An informal problem clinic will be held the forenoon of April 9. The luncheon will be followed by an "Explosion Hour," where new ideas on sales and agency techniques will be discussed. This will be followed by the annual business meeting. An open house will be staged at 9 p.m.

Dr. Wesley D. Haines, assistant to the president of Keuka, N.Y., college, will address a cooperative breakfast April 10. Instruction sessions on new policies, agency administration and selling techniques will be held till noon. "Idea-o-rama," a symposium

featuring Paul A. Garrick, Medina, N.Y., agent, John B. Read, Chicago agent, and Roland A. Augustine, Kingston, N.Y., agent, will start at 2 p.m. Mr. Read will speak again at 3, relating how he has built his agency almost exclusively by telephone.

Gordon Davis of Mutual Loss Research Bureau, Arthur Snyder, vice-president of Alfred M. Best & Co., and a surprise speaker will address the convention over long distance telephone at 4 p.m. The 1752 club will sponsor a social hour at 6 and a banquet will close the convention.

The association has planned a home show and a fashion show for members' wives April 9 and 10, respectively.

Form New Okla. Local Board

Phillip H. Viles has been elected president of the newly-formed Claremore (Okla.) Insurance Board.

Other officers are A. M. Huffman, vice-president, and Molly Leacock, secretary.

Guests at the first meeting included Ralph R. Carlin and Carroll Swickey, vice-president and secretary, respectively, of Oklahoma Assn. of Insurance Agents.

Teach Business Men to Prevent Crimes

The only limitation on producers and underwriters in selling and using the multiple crime coverages is their own ingenuity, George P. Braun of Continental Casualty told the fidelity insurance forum at Pittsburgh I-Day.

One of the first steps they should take is in educating the business man, he said. It is necessary for him to realize that inside and outside audits are necessary and that he should not wait for something to happen. The physical condition of his premises should offer reasonable resistance to burglary. The money on the premises when the business is closed should be kept at a minimum and in anchored safes or chests. He should learn that the best thing he can do is lessen the temptation to his employees and the public.

Business men should also be taught that checks should be recorded either manually or by machine so stop payment orders can be issued in event of loss or destruction. Checks should be deposited in a bank night depository and not left in a premises overnight unless sufficient protection is maintained, he said.

The best introduction an agent can have to the block, combination and floater contracts being developed in the fire and inland marine field is familiarity with burglary forms, Mr. Braun said. Inland marine production requires a basic knowledge of burglary to combine with the transit operation. Fire block handling requires both inland marine and burglary experience coupled with the fire in order to evaluate a risk properly.

It is gratifying to contemplate the end of the day of the uninsured loss in business, he said. Today the insurance buyer is being offered every coverage he needs except flood. Whether a risk is properly insured depends on the knowledge of the producer. He urged the agents to instruct the younger men in the business, to convince them of the necessity of being a student of the business in order to accrue the knowledge that commands professional respect. He also suggested that they point out to their students the necessity of developing an insurance vocabulary that will enable them to deal clearly with their clients and underwriters.

Iverson Retires as Boston Vice-President

J. Louis Iverson has retired as vice-president of Boston after 50 years with the company.

He started his training in fire underwriting under the direction of Edmund Winchester and I. Lloyd Greene. In 1919 he became special agent in Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island, and in 1921 was appointed head of the automobile underwriting department.

He was named assistant secretary in 1936 and vice-president in 1943. When Boston Indemnity was organized in 1954, he was made vice-president of that company also.

Public Atomic Cover Measure Introduced

A bill has been introduced in Congress providing public protection against uninsured liabilities from hazards in peaceful utilization of atomic energy.

Sponsored by Rep. Price of Illinois, the bill specifies that, for a period of 10 years from passage, atomic energy

commission may indemnify each owner, manufacturer, designer, builder or supplier of atomic equipment and materials for uninsured liability to the public for injury, death or property damage. The measure is subject to the condition that primary non-governmental insurance shall be procured in reasonable amounts for protection against normal contingencies. Each indemnification will cover liability during the useful life of the facility.

Employers Names Borhek Mich. Head

Employers group has appointed John E. Borhek, former Providence office manager, resident manager of the Michigan department at Detroit.

He will be succeeded by John Ashman, formerly of the agency division of the New England department. Paul J. Trout continues with the Michigan department as associate manager.

Pa. Lumbermens Mutual Names Flynn to Field

Pennsylvania Lumbermens Mutual has appointed John J. Flynn special agent in New Jersey, Delaware, West Virginia and Maryland. He joined the company in 1938 in the general business department. He was a general business underwriter seven years and an inspector two years.

Jaffe Addresses L. I. Agents

Alfred I. Jaffe, vice-president of Jaffe agency of New York City, addressed Nassau County (N.Y.) Assn. of Insurance Agents on the mercantile block policy which is awaiting approval in New York state. He commented that most buyers want protection against all losses, not necessarily any particular kind of loss, and, once the buyer realizes he is so protected, costs do not play too major a role.

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BUFFALO I-DAY

Young Fights for Business with Hard Work, Package Form

Knowledge of the product, integrity, and harder selling are the tools a local agent must use to overcome direct writer competition, Ernest F. Young, Charlotte, N. C., local agent, declared at Buffalo I-Day.

Despite advantages in price and national advertising, the direct writer's captive agent has a definite lack of independence and freedom of action, Mr. Young said. He cannot sell his customer a much needed form of coverage if it is not written by his company.

Foremost among the local agent's present day tools, Mr. Young pointed out, is the package policy designed to protect a man's home and business. The price reduction, resulting from the combination of policies at a rate lower than the total of individual policies, makes competition from the specialty companies less keen.

He called on local agents to work hard to maintain the heritage of independence in the agency system. He said agents must be fair to their companies, clients and themselves.

"As long as our chief function is not to sell insurance but to protect our clients against loss, as long as our chief function is not merely to issue a policy but to survey our client's needs and suggest the best possible type of coverage, as long as we live uprightly within our community and maintain our independence of choice and action, we have nothing to fear," Mr. Young declared.

Competition is good for any salesman, Mr. Young continued. "I am convinced that the competition of the direct writer, which we dread so much, can be used to our decided advantage because it will make us work harder."

To become a better qualified agent, Mr. Young emphasized the importance of knowing and understanding the contracts an agent sells. This can be obtained, he said, by carefully studying and analyzing the policies and then asking questions about the features not understood.

Mr. Young cautioned against total dependence on the national advertising of insurers for local agency promotion. Local advertising for those who can afford it is a must.

However, probably the most effective advertising is free, he asserted. Every time an agent renders a client

or prospective client a personal service in the form of prompt loss payments, recommendations of adequate cover, or a thorough survey, he advertises himself and his business within the community.

Mr. Young advised selling accounts rather than selling single shot policies to an individual or business firm. He stressed account selling through surveys for the most satisfactory results. In survey selling, he said, the agent must gain his client's confidence and be thoroughly familiar with the innermost workings of his business. He suggested preparing a thorough insurance program for the account and fitting in existing insurance to suit. He added that an agent should note expiration dates of existing insurance so that he may solicit them in ample time.

Mr. Young cautioned the agent to solicit an account only when he has the client's undivided, unhurried attention. He added that a client, for whom the agent is already writing all or most of his coverages, should be sold a package policy to further latch the door against competitors. Where an agent has only a minority of his client's accounts, Mr. Young advised that he wait until all policies are about to expire so that the client will not be faced with a monetary loss on the agent's policy due to cancellation of his existing policies in the face of a possible package by the competitor.

"Have faith and confidence in your product," he urged. "Know your product a little better, work a little bit harder and be honest in all your dealings with your fellow man. Then you never need fear the future."

Hold Hearings on FHA Self-Insurance

WASHINGTON—Representatives of federal housing authority and other governmental agencies are holding hearings here this week on the Senate proposal which would allow the FHA to self-insure properties on which it has had to foreclose because of default of mortgage. Insurance and other private interests will be heard next week by the Senate banking subcommittee on housing.

At present the FHA insures property acquired by foreclosure through its management arrangement. The manager takes care of the property and buys insurance on a bid basis. The cover is maintained until the property is resold. The premiums on such insurance amounts to about \$200,000 a year.

The proposal would not make self-insurance by the FHA mandatory, but permissive.

Iowa Agents Set Up Program for 50th Meeting

DES MOINES—Iowa Assn. of Insurance Agents is observing its 50th year in 1956 and as a result the annual convention to be held here April 30-May 2 will be a special affair. Two speakers have been announced for the luncheon meetings May 1 and 2. George V. Whitford, vice-president of Fire Association group, will speak on how to sell better in order to meet today's competition. Archie M. Slawsby of Nashua, N. H., a member of the NAIA executive committee, will speak Wednesday noon.

Other speakers on Tuesday's program

will include Robert M. Morrison, Boston attorney, on the development of atomic power; Dr. William D. Coder, coordinator of State University of Iowa, and M. J. Whitmar, vice-president of Dinerman & Co., Cincinnati.

Two breakfast meetings will be held Wednesday morning, one for farm writing agents and the second for local boards.

Three separate discussion groups will be held later in the morning with panel members handling the various subjects which will include office procedure, commercial package policies and loss adjustments.

The convention will close Wednesday evening with the banquet and a floor show.

Insurance Women of Southern New Jersey at a meeting in Camden presented awards to three grade school children who were winners in the association's safety poster contest.

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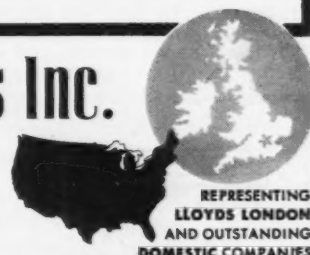
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WIS. SUPREME COURT

Rules Insurer Can't Rebuild Part, Pay for Part of Unit

Wisconsin supreme court has upheld a lower court ruling that an attached barn, barn basement and silo, although valued separately for insurance, constituted a single structure, and the insurer could not elect to rebuild one part without rebuilding all of them.

Insurance was \$11,500 on the barn, \$500 on the basement, and \$500 on the silo. Homestead Mutual, exercising its policy option to rebuild or pay, elected to rebuild the basement and the barn and to pay insured the value of the silo. However, insured contended that the barn, basement and silo constituted a single instrumentality since the barn was constructed on the basement and the silo was attached to the barn by a feed chute. Insured sued.

The court, citing a duplicate case, State Bank of Chilton vs Citizens Mutual Fire, said that while the barn and silo were separately valued they constituted a single unit and that the fact that they were valued separately did not sever them insofar as construction was concerned.

Opposes Liberalizing Longshoremen's Act

WASHINGTON—At a meeting of the House committee on education and labor, Howard Starling, Washington, D.C., representative of the Assn. of Casualty & Surety Companies urged the committee not to support the proposal to reduce the waiting period in the longshoremen's and harbor workers act from three to seven days. The reduction of the waiting period would add considerably to the cost of compensation without providing commensurate benefits to the employee, he said.

He also urged that the committee not support the proposal that the second injury fund be diverted to cover the payment of claims against uninsured or insolvent employers. It would be highly unfair to impose on the employer, who complies with the law and secures his liability, the additional burden of paying compensation to employees of competitors who do not comply, he said. The fund was created for the benefit of disabled veterans and other handicapped persons, and diver-

sion of the fund for other purposes should not be permitted.

The association also opposed reducing the reversionary period to 14 days. The proposal, if accepted, would not only create an unhealthful moral problem and increase the cost of compensation, but would also encourage employees to lose time from work they otherwise would not have lost, he said.

Commerce Department Publishes Booklet on Brazil Insurance

Department of Commerce has published a pamphlet, *Insurance Market in Brazil* discussing government supervision of insurance, legislation, restrictions, admission requirements and investment requirements.

The booklet points out that there are 136 private companies licensed to operate in Brazil, including 108 domestic and 28 foreign. This compares with 63 domestic companies and 33 foreign in 1945. Currently there are also six employers' mutuals writing workmen's compensation, 10 capitalization companies, which sell a combined life policy and savings deposit, and three government-owned companies.

Brazilian law requires insurance of business property, restricts purchases of certain types of coverages from foreign companies and prevents private companies from selling WC. The government also requires that private companies reinsure part of their risks with Reinsurance Institute of Brazil, a government facility.

N.Y. Brokers Publish Income Tax Review

Greater New York Insurance Brokers' Assn. has published a review of the federal and New York state tax laws, by C. Joseph Danahy, counsel of the association.

It concerns the criminal or civil proceedings which may be commenced by the state or federal governments against insurance brokers on tax delinquency or evasion charges.

The statute of limitations for any infraction of the federal income tax law is three years. However, in both civil and criminal proceedings where fraud is involved, there is no statute of limitations for civil proceedings. It is six years for criminal proceedings.

In New York, the criminal statute of limitations is two years, and the civil statute provides that any additional assessment must be made within three years after the return was made. How-

ever, when more than 25% of the amount of gross income or capital gain is omitted from the return, the amount of tax due may be determined within five years after the return is filed.

When no return is filed or if that filed is willfully false or fraudulent, with intent to evade the tax, or if the taxpayer fails to report a change or correction made by the commission of internal revenue or other officer of the United States, the amount of tax due may be assessed and collected at any time.

Tax on net incomes of unincorporated businesses, to which many New York brokers are subject, is governed by the same statutes of limitations.

Travelers' TV Case Decision Under Study

Federal communications commission officials are studying Travelers' application for a TV station license in the Hartford area. The application involves a contest between Hartford Telecasting and Travelers. At the recent hearing, Joseph Lotterman of New York was counsel for Telecasting, and P. H. Russell was counsel for Travelers. P. W. Valecenti, counsel of the FCC broadcast bureau, argued in support of granting a license to Travelers.

North British Enters National Advertising

North British group is inaugurating national advertising this month, with advertisements in the March 26 issue of *Newsweek* and the April *Town Journal*. The program will feature advantages to the public in dealing with local stock company agents and brokers with the theme "service beyond the contract." Associated in the campaign are North British, Pennsylvania Fire, Central Surety, Mercantile, Commonwealth, Homeland and Ocean Marine.

To Allow Employees to Buy Insurance Stocks

A bill passed by the New York legislature and sent to the governor would allow financial corporations, such as insurance companies and banks, to sell company stock to employees. In the past such corporations were not allowed to do so, although other corporations were.

Under the measure, the sale of stock to interested employees would have to be at a bona fide price, just as it is for all other buyers.

Travelers to Erect School Building to Train Personnel

Travelers will erect a three story school building in downtown Hartford for the exclusive education and training of its agents and personnel, according to J. Doyle DeWitt, president. No date has been set for start of construction.

In addition to reception and student lounge facilities, the building will hold six classrooms, two on each floor. Three classrooms will accommodate 32 students while the other three will hold 24. The building will be air conditioned and acoustically treated. The classroom will be equipped with modern teaching facilities including the latest developments in visual aid equipment.

Planned floor area is 25,000 square feet. Architects are Voorhees, Walker, Smith & Smith and the general contractor is George A. Fuller Co. Both firms are performing similar services in the company's new home office, now nearing completion.

Commenting on the new building, Mr. DeWitt said: "The new school building is an affirmation of our desire to raise the levels of insurance sales and service to conform to high professional standards."

Fairview Mutual Fire Dissolved by Court

The common pleas court, Dauphin county, Pa., has dissolved Fairview Mutual Fire and directed the insurance commissioner to liquidate the company's business and affairs, according to Commissioner Smith.

Mr. Smith cautioned the company's policyholders that all policies will be cancelled automatically by law March 23. Policyholders were warned, therefore, to arrange immediately for insurance coverage from other insurers.

The court order also fixed Sept. 13 as the last day for filing proofs of claim against the company with the liquidation division of the insurance department.

Fairview Mutual Fire was a Pennsylvania mutual fire insurance company and formerly maintained its principal office at 104 Chestnut street, Harrisburg, Pa. William V. Keller Sr., was president.

Dodge County Agents Hear Pilon

JUNEAU, WIS.—J. E. Pilon, manager of Western Adjustment at Fond du Lac, Wis., described the handling of claims and methods of making adjustments at the March meeting of the Dodge County (Wis.) Assn. of Insurance Agents.

Commissioner Rogan of Wisconsin will be the speaker at the next meeting to be held jointly with Jefferson County (Wis.) Assn. at Waupun.

Royal Exchange Moves Offices

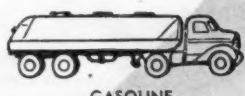
Royal Exchange group has moved its Pacific department offices and Los Angeles branch office to 3142 Wilshire boulevard. Arthur A. Lang is manager of the Pacific department, and W. S. Macy is manager of the Los Angeles branch.

Allstate Promotes 3 in East

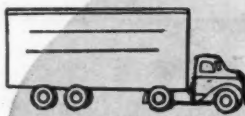
Allstate has named Robert Leys resident manager at West Hartford, Conn., to succeed Robert W. Schermerhorn.

Mr. Leys joined Allstate at New York in 1948 and was transferred to Charlotte, N. C., in 1953. He will be succeeded at Charlotte by Robert D. Eger, formerly sales manager of Allstate's southeast zone at Atlanta, Ga.

E. O. Jones, sales manager at Long Beach, Cal., will succeed Mr. Eger.



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DIRECTORS' MEETING

Plan Legislative Handbook for California Agents

Directors of California Assn. of Insurance Agents, meeting at Fresno with B. Franklin Knapp of that city, the president, presiding, considered committee reports and approved developments for a legislative handbook for local agents and their clients.

Because of California's growth, legislation in the state will have growing implications for the industry nationwide and it is felt agents will have to take more active interest in the years ahead.

The board also voted to support measures at the 1957 legislature which would bar entrance into California of any insurer owned by a foreign state or government. Similar legislation—aimed at companies such as the government-owned Saskatchewan G&F.—has been passed in several other states.

Because no progress has been made toward abolishing the annual renewal plan, it was decided to prepare a "fact sheet" pinpointing dangers. An intensified search for a more workable installment premium payment plan was agreed upon.

Reporting on a recent insurance cost conference between the association and Pacific Board, Mr. Knapp pointed out that the 60-day retroactive rule is one area that needs attention. The association has made several approaches to solve the problem, but unsuccessfully because of wide differences of opinion.

Finding a way to eliminate the problem of cancelled policies following rate changes—retroactive, in most cases, for 60 days—will continue to be a principal objective. Information on rate changes presently reaches agents and companies usually only a few

days prior to the effective date, a time when most affected policies have been written. This means, in the case of reductions, there must be at least a re-computation and possibly rewriting of the policies, resulting in an expensive double handling by both agents and companies.

Another goal is better earthquake coverage for dwellings at more realistic rates. It was emphasized, however, that the public would prefer a rate increase to a mandatory deductible on some residence coverages.

Various approaches to the uninsured motorists problem were discussed and a special committee was named to concentrate on this problem. The "Operations Safety" traffic program will include cooperation with the "Slow Down and Live" campaign being conducted during the summer months by National Safety Council.

The annual advanced agency management conference will be held June 24-29 at Stanford university, and the annual meeting is scheduled for Oct. 15-17 at the Sheraton-Palace hotel, San Francisco.

Second Paper Scores Rash of New Indiana Insurers

A second newspaper has taken up the attack on new-company formation in Indiana. The *Indianapolis Times*, a Scripps-Howard paper, has begun a series on insurance following the series in the *Indianapolis Star*, an independent, reported in an earlier issue.

The *Star* article has already had repercussions from companies in the state. The president of one Indiana company has sent a memorandum to all established home offices pointing out that the articles reflect unduly on Indiana companies, that Indiana laws are basically sound, and that the current commissioner, William J. Davey, is one of the best the state has ever seen.

The *Times* series points out that six new companies were started in 1955 and that five more have already been initiated in 1956, a total "that's equal to the total of stock life companies existing in Indiana before 1950."

"The worst part of it," the paper quotes one "insurance expert" as saying, "is that some of the promoters don't know a thing about insurance and don't care after they clean up selling stock."

The *Times* series is objective rather than sensational. It gives both sides of the story, pointing out that some established companies were formed on a basis that looked primarily promotional at the time but "later became rocks of Gibraltar as insurance experts took over and ran the business as it should be."

The newspaper blasts particularly the "underwriting system" of forming companies. According to the paper, the system consists of forming an underwriting company to become the holding company of an insurance company to be formed later. The underwriting company buys the "lion's share" of the stock in the original company. They buy it at, say, \$5 a share, while selling it to the public for \$10. "The same directors then form the insurance company—with the biggest chunk of stock being bought by the underwriting company. The directors and underwriting company buy stock at, for example, \$3 a share. Additional stock is sold to the public at \$6 a share."

"They haven't even sold any insurance at that stage," the paper quotes Securities Commissioner Foust, as saying. "What have they done to earn it?"

"I had six or seven companies wanting to start that way since last October," the *Times* quotes Foust as re-

porting. "I'm saying 'no.' There's nothing in the law to prevent it, but we can effectively discourage them because their recourse in court would hurt salability of stock."

Both Foust and Commissioner W. J. Davey are quoted by the paper as agreeing that the insurance department should have more to say about the formation of new companies, now almost exclusively in the province of the securities department. They are also quoted as recommending that the price of second and third stock issues be governed by actual book value instead of by the new company's own estimate, as at present.

Tennessee Acts to Restrict Coercion

Commissioner Northington of Tennessee has promulgated new regulations for eliminating coercion in placing insurance on mortgaged property effective April 1.

Formulated with assistance from local agents, finance companies, banks and real estate men, the rules provide that the lender may specify the type of insurance company, stock, mutual or reciprocal, from which he is willing to accept a policy. He may also prescribe reasonable requirements regarding the financial structure of such companies. The borrower may furnish the lender with a list of three or more agents or brokers with whom he wishes to place the business, the final selection being left to the lender.

New Babaco Agencies in Pa., Tex.

Babaco Alarm Systems has opened new agencies for the installation and servicing of truck burglar alarms at 632 Main street, Freeland, Pa., and 501 Eighth street, San Antonio. LeRoy Zemany will head the Freeland agency and Harold Grist the San Antonio unit.

Pacific Board to Hold Public Relations Conference

Pacific Board will sponsor a public relations conference for trade organizations and 13 field men's associations on March 26 at the Fairmont hotel, San Francisco.

Representatives will include officers of National Board, Pacific Board, California Assn. of Insurance Agents, Insurance Brokers Exchange of California, Insurance Brokers' Society of Southern California and 13 field men's groups.

F. W. Westervelt Jr., public relations manager for National Board, will review the board's public relations plans.

Ernest E. Erickson, secretary-manager of Fire Association and public relations committee chairman of Pacific Board, will direct sessions on the public relations programs of field clubs.

Other speakers include J. C. Qualmann, president of Pacific Board, and W. F. Williams, legal representative of National Board. Mr. Williams will review proposed federal and state legislation to provide indemnity for property loss from floods and earthquake.

Retire from Michigan Field

The Barry & Eaton Mutual of Charlotte, Mich., has taken over the contracts of the Western Mutual Fire of Columbus, O., which has retired from Michigan. Western Mutual agents are being relicensed by the local mutual. Most of the business consists of residential and contents risks in the lower half of Michigan.

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Ohio WC Law, Under Legal Attack, Wins in First Test

COLUMBUS—While the first of the 1955 drastic changes in the monopolistic Ohio workmen's compensation law to be challenged in the higher courts has been declared valid, the state system is again under court attack on other fronts. In the district court of appeals at Toledo, Judge Fess wrote the first appellate opinion on constitutionality of the new law. He held the legislature's provision that appeals pending before last Oct. 5, its effective date, were bound to follow the new procedure, was valid. A Franklin county resident who had a claim before the industrial commission which could not be heard before the new law took effect, contended the law was unconstitutional since it had a retroactive effect on his rights by adding two new hostile defendants as parties to his appeal. The amendment of the law makes it possible for the newly-created administrator of the Bureau of Workmen's Compensation and the claimant's employer to appear as parties in such appeals, he said. The Toledo judge, ruling on the case, held that the workmen's compensation law was remedial in character and that the procedural change did not affect a substantive right of the claimant.

Meanwhile, Attorney Louis R. Cousineau of Dayton has brought separate mandamus actions in the second district appellate court and the Ohio supreme court. In the appellate court he challenged validity of assessments in addition to premiums collected from employers to help pay the cost of administering the compensation system. He contends that enactments in 1953 and 1955 authorizing the assessments are unconstitutional, and insisted that all money from premiums should go for compensation benefits, and that the state should continue to pay administrative costs.

His supreme court action seeks an order for the Ohio industrial commission to spend a \$1,500,000 surplus in its safety and hygiene division before taking in more money, and he wants future assessments limited to the amount needed annually by the division. The division finances studies by its staff of 78 for better industrial health and safety from a 1% assessment on WC premiums. These assessments are estimated at approximately \$750,000 a year. Some large concerns are self-insurers but help pay administrative costs of the state system.

Employees of the state and its political sub-divisions have WC coverage. On that basis, the legislature in 1953 decided the state should pay only one-third of administrative costs, and that private employers should pay the other two thirds. The state paid all administrative costs since it started the system in 1911 until three years ago.

Hearing in Ky. on Auditing Multiple Peril Dwelling Policies

LOUISVILLE—A large number of agents, field men, company officials and attorneys are expected to attend a hearing March 28 at Frankfort on homeowners and comprehensive policies. The department is expected to rule that all such policies will have to go through the auditing bureau to assure a correct rate is applied by the agent. Complaints have been made that improper rates have been used on special dwelling policies.

N. C. Denies Farm Fire Increase but Grants Some Others

For the fourth time Commissioner Gold of North Carolina has disapproved a fire rate differential for farm dwellings, and has reiterated his position that these rates should be the same as those on other unprotected dwellings in rural areas. After a rehearing he has notified the North Carolina Fire Insurance Rating Bureau he is reaffirming his Jan. 20 order denying a 25% increase in rates on farm property.

The rating bureau has indicated they would study the commissioner's newest order before deciding on whether to go to court.

In his latest order, Mr. Gold approved fire rate increases amounting to \$569,424, effective March 19. They range from 7% to 13.5% for five groups. The groups and approximate premium increases are mercantile buildings \$220,041; mercantile contents \$282,094; warehouses \$17,564; wood products \$33,508; veneer and laminated wood mills \$11,236, and printing and allied industries \$5,981.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, March 20, 1956

	Bid	Asked
Aetna Casualty	128	133
Aetna Fire	73	75
Aetna Life	205	208
Agricultural	36	37½
American Equitable	37	39
American Auto	27	28
American, (N.J.)	31½	32½
American Motorists	13½	14½
American Surety	100	
Boston	38¾	39¾
Continental Casualty	129	133
Crum & Forster com.	68½	70½
Federal	38¾	39¾
Fire Association	61	62½
Fireman's Fund	70½	72½
Firemen's, (N.J.)	45	46
General Reinsurance	50½	52
Glens Falls	74½	76
Globe & Republic	23	24
Great American Fire	41	42
Hartford Fire	178	181
Hanover Fire	48	49½
Home (N.Y.)	49¾	50¾
Ins. Co. of No. America	122	125
Maryland Casualty	36½	37½
Mass. Bonding	41½	42½
National Casualty	55	
National Fire	109	112
National Union	44¾	45¾
New Amsterdam Cas.	49½	51½
New Hampshire	43½	45½
North River	40½	42½
Ohio Casualty	97	
Phoenix Conn.	85	87
Prov. Wash.	25	26
St. Paul F.&M.	59½	61½
Security, Conn.	51	53
Springfield F.&M.	65	67
Standard Accident	53	55
Travelers	83½	84½
U.S.F.&G.	64½	66½
U.S. Fire	28¾	30¾

Arthur J. Raby, formerly Montana special agent for Rocky Mountain Fire, has opened his own agency at Great Falls, Mont.

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REVIEW COMMERCIAL BLOCK COVER

Reviews of loss and underwriting experience under the new commercial block coverage—a west coast innovation that caught on nationally—highlighted the annual meeting in San Francisco of Fire Underwriters Assn. of the Pacific.

Speaking on losses, K. W. Withers, executive general adjuster of General Adjustment Bureau, said experience under these forms was meager prior to the heavy rains and floods of the past few months and that it may take several years for the full development of claim potentiality on the part of both companies and policyholders.

"Probably most of the unforeseen risks will cause losses not too serious as to amount, with many possibilities of subrogation. However, there have been a few unusual occurrences that have come to our attention resulting in serious loss.

"It is among manufacturing risks where the most unusual losses have occurred, and where there is the greatest potential beyond risks insured under the extended coverage endorsement."

Mr. Withers mentioned a few specific cases: (1) Machinery breakdown due to introduction of foreign objects into moving parts. (2) Overflow of molten metal and glass caused by a variety of occurrences, bringing heavy loss in excess of liability under fire coverages. (3) Boilovers in chemical processes of plants may result from many types of accident and human failure. (4) Collision of a horizontal traveling crane with high-stacked stock damaging the crane.

Despite further exclusions of damage by water in the broad form, there still are types of insured water damage, Mr. Withers said. The exclusions, and therefore the extent to which damage by water is covered, are much clearer than in many current coverages.

Under the new commercial block policies, the small business man can buy the same broad protection for his personal business property previously available only for household belongings, according to Myron DuBain, inland marine superintendent of Fireman's Fund. He said the small businessman is now in the same position accorded the large manufacturer under the manufacturers output policy.

"He has far better protection than he has ever had and usually for very little premium. In fact, in some instances premium savings have been effected but this does not necessarily represent arbitrary rate cutting. Many insurance minded, well managed firms found themselves victims of premiums based

on adverse selection. The block underwriter could afford the cut through some of these exposures when he had the advantage of the spread of perils plus the spread of risks.

"Furthermore, the independent underwriter was seizing upon the opportunity to credit the desirable risk. On the other hand, the mercantile owner with serious 'all risk' exposures was willing to pay the price of protection and the price for him was usually substantial. The net result has been a generally healthy market.

"And so the year following your last meeting has been marked not with the chaos and confusion predicted by many, but instead by the stabilizing influence of the leading companies writing the block policy. This period of adjustment was culminated by the promulgation of rates, rules and forms by the Pacific Fire Rating Bureau Dec. 1."

"In reviewing the past year of independent block activity, it is interesting to note some of the lessons that have been learned. The inland marine underwriter, the developer of the new cover, has come to learn the value of fire and burglary underwriting experience. This amalgamation of fire, casualty and inland marine underwriting ideologies has alone been one of the greatest shots in the arm to multiple line development in the industry.

"As the inland marine underwriter was benefitting from the experience of his friends in the 'staple' end of the business, so was the fire underwriter learning from his inland marine friends. Those who had failed to recognize the importance of evaluating all risk on premises and off premises exposures learned to their sorrow that they constitute a significant portion of the hazards involved."

"One major insurer," said Mr. DuBain, "reports 'all risks' losses far in excess for fire losses and finds its loss departments handling an increasing number of water damage, transportation and other miscellaneous peril claims. The inland marine underwriter, remembering that the personal property floater, once called a basic fire contract, now suffers 'all risk' losses in excess of five times the fire losses, is the first to appreciate this recent trend."

Again using the personal property floater as an example, he visualized an even greater emphasis on the all risk hazards with the public becoming cognizant of the broad protection afforded under the block.

Comparing the bureau form with those previously available, Mr. DuBain said there is general agreement

the bureau form is more precise, more accurate as to the intent of coverage and generally easier for an adjuster to interpret. On the debit side, its preciseness and obvious intent to leave no loopholes has given an overall effect of complexity to producers and insured. The fact remains, the form is expertly drawn, is subject to revision where warranted and at long last brings the much needed uniformity in the market.

Considering another topic of top interest to insurance pioneers, Dr. Edward Teller, noted physicist of the University of California, said the hazards faced in working with atomic reactors are no greater than those faced in other industrial fields. It is possible to keep atomic reactors under control. There are a number of natural safeguards which make it difficult for the atomic reactor to over-function to the

point of explosion. During the 10 years atomic reactors have been in use, there has been no major accident. Prevention of big accidents must remain a federal responsibility.

He said the safest precaution is to take the radioactive poisons out of the reactor by means of a continuous processing. But this creates the problem of making the continuous processing cheap. Another is to put the reactor in a reasonably tight surrounding that would keep the radioactive poisons from spreading should an explosion occur.

Home Opens New Fla. Office

Home and Home Indemnity formally opened their new offices on the 10th floor of the Prudential building in Jacksonville, Fla., with an open house. Sam E. Myrick, Florida manager, was host.



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The midwestern agent and broker is provided access to the markets of the world for hard-to-place risks and surplus business through the MacGibeny Agency in Cleveland.

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Card Set for R. I. Midyear April 16

The midyear meeting of Rhode Island Assn. of Insurance Agents will be held April 16 at the Sheraton-Biltmore hotel in Providence. Beginning the program will be a skit about the death of an insurance agent with A. A. Longway of General Adjustment Bureau, J. Kenneth Cormack, Samuel C. Rens, and Barbara Miller of Aetna

Casualty, all of Providence. James Goldsmith, Providence local agent, is producer and director.

A discussion of the mercantile block policies will follow the play. Thomas J. Kelly, supervisor of New England Fire Insurance Rating Assn., Boston, will discuss operational procedures of the new block policies, and George S. Story, secretary of Providence Washington group will discuss coverage.

George V. Whitford, vice-president of Fire Association, will be the banquet speaker.



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Parr Named Officer of Twin Hartford

James C. Parr has been elected assistant vice-president of Hartford Fire and Hartford Accident. He was formerly 2nd vice-president of Connecticut General Life.

He started his career as secretary to the late Edmund Zacher, then president of Travelers. For five years during World War II he was a special agent of the federal bureau of investigation. Last year he was appointed chairman of the investment committee of Connecticut by Gov. Ribicoff.

F. & D. Names Garde Assistant Secretary

Henry C. Garde, a member of the fidelity underwriting department of Fidelity & Deposit and American Bonding, has been elected as assistant secretary of the two companies.

He joined the contract underwriting department in 1926 and has been with the companies' fidelity underwriting department since 1932. He became assistant superintendent of the latter's miscellaneous division in 1949, and since 1954 has been connected with its bank bond division.

Four More States Okay Mercantile Block

The mercantile block filing of Inland Marine Insurance Bureau has been approved in Alabama and Georgia, effective March 15, in Massachusetts, effective March 19, and in Michigan, effective April 2.

The Alabama department outlined requirements for approval which was granted for all members and subscribers of Alabama Inspection & Rating Bureau and National Bureau of Casualty Underwriters. Any company not a member of the rating organizations must file its own rules, rating plan and forms directly with the insurance department. It is necessary to work out a formula to be used in allocating premiums developed under the plan between fire and casualty lines inasmuch as different tax rates apply in Alabama, the department stated.

The Georgia approval does not apply to companies which are members or subscribers to less than all of the collaborating bureaus. However, companies which are members or sub-

scribers to one, but not all, of the bureaus may voluntarily submit to the jurisdiction of South-Eastern Underwriters Assn. and be bound thereby, if otherwise qualified. Such submission must be reported to the insurance department.

Urges Greater Publicity for Accounting Courses

"Greater publicity for insurance accounting courses conducted by Insurance Society of New York" was urged by Arthur C. Goerlich, dean of School of Insurance of Insurance Society of New York, at an education meeting of Insurance Accountants Assn. in New York.

Dean Goerlich said more students must enroll in the courses if the insurance industry is to benefit properly from the facilities.

"The increasing complexities of the business have resulted in a greater demand for trained insurance accountants and the Insurance Society is practically the only educational institution in the country offering specialized courses in this field," he said. He outlined a new course on application of electronics to office systems which is designed for graduate accountants as well as for beginners.

He praised the accountant's association for organizing the courses for the society, preparing text books and providing prizes for good scholarship.

AFIA Chief Predicts Further Africa Growth

William F. Cushman, chief of American Foreign Insurance Association's foreign branch operations, has predicted further future industrial and commercial growth in South and East Africa.

Returning from a six-week trip to that area with R. Maynard Toelle, AFIA's casualty and bond operations head, Mr. Cushman said the opportunities which this part of the world offer are a sound basis for optimism in the long run. The great progress made by industry and commerce has been accompanied by development of a large and sound insurance market which is equipped to move ahead with the growth of the African community, he added.

The trip included visits at branch offices at Port Elizabeth, Durban, Capetown, Nairobi, and Cairo.

CORRECTION

Baxter M. Porter was elected vice-president of American Independent Re, not president as erroneously reported in THE NATIONAL UNDERWRITER. He started in insurance as a local agent in 1929 and joined American Fire & Casualty in 1941 as special agent. He was made manager of the fire division in 1945 and became vice-president in 1951.

Allstate Names Five

Several executive appointments have been made by Allstate.

Louis A. Fisher becomes district sales manager at Long Island, N.Y.; John C. Pankuch becomes assistant claim manager at West Hartford, Conn.; Richard P. White becomes fire promotion supervisor of the eastern zone at White Plains, N.Y.; Kenneth J. Higgins becomes assistant underwriting manager at Dallas, and Edward Troy becomes district sales manager at Harrison, N.Y.

Insurance Women of Milwaukee have elected the following officers: Edna Haas of the H. Gollusch & Son agency, president; Edna Siegel, vice-president; Caroline Richter and Joyce Klamert, secretaries, and Hazel Gesch, treasurer.

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Los Angeles Agents Hear Views on Agency Management and Costs

A panel discussion on agency management and its costs was presented at the March meeting of Insurance Assn. of Los Angeles by Earl J. Smyth, Van F. Joy and Paul Wolcott Jr.

Mr. Smyth said an agency should produce more business without an increase in costs. He maintained that net profits should be 20-25% above net costs of 3-3½% of premiums. He emphasized the necessity of monthly balance sheets and a sound collection system.

Mr. Joy urged a managerial system for the agency which fully supports the salesmanship efforts. He advocated a review of operating costs and premium income and adoption of the simplest management system for the needs of the agency.

Mr. Wolcott described his agency's plan to cut down on the amount of letter-writing and mailing. He urged limiting the number of endorsements and advocated review of a clients account on a yearly basis. He outlined a plan for a monthly analysis of each producer to equalize the load on each man through allocation of the agency business.

N. C. Mutual Agents' Directors to Meet

The spring meeting of the board of North Carolina Assn. of Mutual Insurance Agents will take place March 23 at Skyland hotel, Hendersonville, N. C. Special reports will be heard from the policy, liaison and budget committees. Earl F. Penny of Hendersonville, president of the association, will report on plans for the annual convention at Blowing Rock, N. C.

Marine Office Opens Indianapolis Branch

Marine Office of America has opened a new service office at 911 Pennsylvania street, Indianapolis, with Charles Gleason in charge. He was formerly at Cleveland.

O. Local Board Meet May 17

A local board delegates conference will be held at Granville, O., May 17 and 18 under the auspices of Ohio Assn. of Insurance Agents. The conference will recommend policy to the trustees of the state association. The young agents conference will meet at Granville May 23-24.

Committee Study Ends on Atomic Power Insurance

WASHINGTON—Government insurance in connection with atomic energy power plants seems assured, following a two-day closed seminar on insurance problems conducted by the joint committee on atomic energy.

Sen. Anderson of New Mexico, committee chairman, said: "Committee action with a view to solving any present problems will soon be forthcoming. These discussions have provided the committee with a better understanding of the views of interested parties and will prove helpful to the individual members in their studies of pending legislation which seeks to solve this serious problem."

Participating in the talks were A. L. Kirkpatrick, insurance department manager of U. S. Chamber of Commerce; J. Victor Herd, executive vice-president of America Fore and president of National Board, and Ambrose B. Kelly of Associated Factory Mutuals.

Postpone Action on Plan for St. Louis School Cover

St. Louis board of education has voted to postpone action on a proposal for insuring the school's property under a \$100,000 deductible plan until after the school tax rate referendum.

Charles J. Dyer, head of the board's insurance committee which proposed the plan, recommended the delay. He said action on the plan might create unfavorable publicity that would affect voting on the new rate.

Louis H. Antoine, an executive of American Automobile and a member of the insurance committee, will present a minority report which opposes the deductible plan. He contends that most fire losses occur within the \$100,000 range.

Florida Department Opens Dania Branch

Florida insurance department has opened a new branch office at Dania near Fort Lauderdale. The new office, the 15th regional facility of the department, is managed by Norman Thomas, deputy field commissioner.

Houston National Promotes Clute

C. W. Clute Jr. has been elected secretary and a director of Houston National. He has been assistant secretary.

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YEAR ENDING DECEMBER 31, 1955
STATEMENT OF ASSETS AND LIABILITIES

ASSETS		
Cash		\$ 986,803.58
Bonds:		
United States Government	\$3,418,973.35	
New Housing Authority	1,096,671.61	
Local Public Housing Agency Temporary Notes	675,194.27	
Obligations of Instrumentalities of the U. S. Government	675,605.29	
State, Municipal and Political Subdivisions	4,577,052.30	
Canadian Government—Payable in Canadian Dollars	287,333.02	
Industrial and Public Utility—Convertible	395,558.70	
Industrial—Non-Convertible	120,000.00	
Canadian Corporate—Convertible—Payable in Canadian Dollars	299,100.16	11,545,488.70
Shares of Savings and Loan Associations—Insured by Federal Savings and Loan Insurance Corporation		195,000.00
Preferred Stocks—Convertible	211,225.00	
Preferred Stocks—Non-Convertible	401,430.00	612,655.00
Common Stocks:		
Public Utility	256,780.00	
Banks	216,000.00	
Insurance Companies	430,200.00	
Miscellaneous	20,500.00	923,480.00
First Reinsurance Co. of Hartford, Wholly Owned Subsidiary		50,000.00
Reserve Funds held by Companies		6,650.02
Balances due from Companies		183,608.00
Accrued Interest and Other Items		66,525.94
TOTAL ASSETS		\$14,570,211.24
LIABILITIES		
Reserve for Unearned Premiums		\$ 7,598,170.95
Reserve for Outstanding Losses		2,658,752.72
Reserve for Bodily Injury Losses—Additional		287,403.60
Reserve for Income Taxes and Other Taxes		275,500.00
Reserve for all other Liabilities		192,942.97
Capital, 300,000 shares at \$3.33½	\$1,000,000.00	
Surplus	2,557,441.00	
Surplus as regards Treaty Companies		3,557,441.00
TOTAL		\$14,570,211.24

Security valuations are on the basis as prescribed by the National Association of Insurance Commissioners. On the basis of December 31, 1955 actual market values, surplus would be decreased by \$230,181.03 to \$2,327,259.97. Bonds deposited for purposes required by law are carried at \$689,558.08.

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FIRE - OCEAN MARINE - INLAND MARINE - HAIL - AUTOMOBILE - CASUALTY
George Olmsted, Chairman - W. J. Langler, Vice Chairman - W. L. Cobb, President

Report Progress in Plans for Atomic Cover

(CONTINUED FROM PAGE 1)

erty, for the total period of coverage, the report notes.

Also, within the limits of liability available, the amount of coverage purchased with respect to each installation is expected to be the aggregate amount of coverage available, and, subject to that aggregate, will be available for all insurable interests combined. It appears improbable, according to the report, that any additional coverage will be available at this time for individual parties at interest, such as contractors, suppliers of component parts, etc.

The preliminary report pointed out that capacity for the customary types

of physical damage hazards presented no serious problem. The report indicated, however, that damage resulting from radiation or radioactive contamination to buildings, machinery and equipment of the owner of the atomic installation posed problems requiring further study.

Substantial progress has been made in developing an insurance capacity for all physical damage hazards in connection with reactor installations and property incidental thereto, the report states. Stock fire insurers are organizing a second facility exclusively for physical damage coverage with

an expected capacity of \$50 million or more applicable to each installation. Insurance against loss of use probably will be limited for such installations, at least during the experimental period in the development of atomic power.

The pool of the mutual companies with an estimated capacity in excess of \$15 million will provide physical damage coverage contingent upon the amount of third party liability coverage placed upon the same installation. The maximum capacity of the mutual pool will be available for any one installation either for third party liability, physical damage coverage, or a combination of the two.

The process of forming the several insurance company pools or facilities has involved the polling of hundreds of insurers, the report notes. Participation in many cases is contingent upon consideration and approval by directors. Many companies have not yet committed themselves. Diligent effort is being made to complete the organization of these facilities as rapidly as possible.

The matter of costs is a vital one both to the prospective purchaser and to the insurers. Because of the experimental nature of the present nuclear reactor program and the fact that each installation will vary as to hazard because of design, location, purpose, method of containment, power level, etc., insurance rates will, it is believed, have to be determined separately for each installation, according to the report. It is hoped that preliminary rating standards can be established shortly after the completion of the insurance facilities from which approximate estimates of insurance costs can be furnished in connection with proposed reactor construction.

The insurance study group contemplates further study of the problems with which it has been concerned and expects to submit one or more further reports to atomic energy commission with respect to insurance capacity, coverage, costs, and technical liaison with the commission staff.

Buyers Hear Farmers Group V-P

Russell H. Wenzel, vice-president of Farmers group, spoke on "What Does the Farmers Insurance Group and Truck Insurance Exchange Offer the Large Buyer" at the March meeting of northern California chapter of the American Society of Insurance Management at San Francisco.

Plant CPCU Course at Oakland

Starting April 4, Oakland (Cal.) Assn. of Insurance Agents will sponsor a course of instruction leading to the CPCU III examination. Dr. Roy Hensley, instructor of business administration at the University of California, will conduct the course.

Howard & Hoffman local agency in Washington, D. C., is marking its 50th anniversary. It was founded by Clement W. Howard and William M. Hoffman and the present owners, Albert W. Howard and V. Manning Hoffman, are their sons. Mr. Howard is president of Firemen's of Washington & Georgetown, and a director of Home Plate Glass. Mr. Hoffman is vice-president, secretary and a director of Firemen's, a director of Peoples Life and a past president of District of Columbia Assn. of Insurance Agents.

Marc Wertheimer has purchased the interest of E. C. Black in the Black & Wertheimer general agency of Houston, Tex., and will continue to operate the agency under the name of Marc Wertheimer general agency.

Congress Again Denies 162-Year-Old Ship

Claim of Insurers

Congress again has killed bills designed to give two insurance companies and some individuals the right to claim \$3 million for losses of American merchant ships seized by the French in 1794.

Some of the claims resulting from the so-called French spoliations have been paid but none to the insurers, North America and State of Pennsylvania, which each year file claims with the government. France has charged that America violated the treaty of 1778 by the Jay treaty with England, and during the French-English wars the French seized neutral American merchantmen.

Both countries relinquished claims against each other in 1800, but the key issue ever since has been whether American individuals and insurers that lost money in the seizures could shift claims to U.S. government.

The court of claims and five Presidents held that they could. Six Congresses since 1890 have passed bills appropriating money to pay some of the claims. A total of \$3,900,000 has been paid to individuals, but each congressional act appropriating claims money has barred the insurers. What the insurers seek now is the right to press their case before the court of claims in the manner used in all other claims cases, with the judgment to be binding on the government. In such cases necessary money is appropriated by Congress. The Justice Department has fought every claim so far.

10 Cent Federal Extra

Federal of Chubb & Son has declared an extra 10 cent dividend payable June 12 to holders of record June 1.

Auto-Owners Has Dry Run of New Electronic Renewal Machine

LANSING—Auto-Owners entertained 45 home and branch office underwriting personnel at the home office here during the past week with a demonstration of an electronic data processing machine to be installed next August.

H. L. Convis explained the machine will do all computing for renewal auto policies and will supply punched cards from which renewal certificates will be issued, beginning March 1, 1957.

Bond Forfeited Under New Law

North Carolina superior court has upheld Commissioner Gold's order that required the forfeiture of a \$500 bond and the license of H. M. Bennett, Raleigh local agent. Mr. Bennett was charged with misrepresenting an A&S policy. This was the first case to arise under the law which forbids misrepresentation of A&S policies.

Casualty Actuarial Society will hold its spring meeting May 24-25 at Lennox, Mass.

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Leggett Suggests Uniform Code for All States

(CONTINUED FROM PAGE 1)

licts in the laws, he asserted, have prevented many companies from expanding and enlarging their operations.

Particularizing the benefits to his own situation, Mr. Leggett said Missouri has not approved the merchandise floater or mercantile block policies because of the state rating laws. Missouri has a strict fire rating act, a lenient casualty act, and no marine act. The use of merchandise floater or mercantile block policies combines the three types of coverage and "invites the invasion of our strict fire rating act by the use of unrealistic rates on the other types of coverage afforded." These coverages are permissible in most other states, and uniformity in state laws and interpretation would eliminate this problem in Missouri.

Mr. Leggett said he hopes to have the Missouri laws recodified in 1959, and before that have enabling legislation adopted in the 1957 session. The Missouri situation, which he described as comparable to that in other states, puts the commissioner in the position of having to interpret 189 pages of statutes, some of which have not been changed since 1869. There is a "crazy quilt" of statutory law full of gaps and inconsistencies. The commissioner, because of the complexity of insurance, cannot expect the legislature to spell out in statutory form every detail of insurance regulation. An area of discretion is given to the commissioner so that the law is flexible enough to permit continued growth of the business. Such discretion cannot be abused, he remarked, even to desirable ends, and the commissioner can interpret the law only in the light of legal decisions and the needs of the business. Such interpretation does not enact new laws.

The nationwide character of insurance must be recognized when the new code is set up, he observed, following

this with the suggestion for a uniform basic code in the 48 states, supplemented with whatever local legislation might be necessary. Mr. Leggett said his experience has been that the insurance industry generally is motivated by high ideals and the endeavor to obey not only the letter but the spirit of the law. "I think it is time that the states, individually, and by joint action through the NAIC, take steps to clarify the letter and spirit of the law so that industry might have a clear guide to mark the path of its progress in the future," he declared.

Roy L. Davis, mid-west manager of Assn. of Casualty & Surety Companies, was in general charge of the meeting as chairman of the insurance group. Mr. Leggett was introduced by W. Russell Arrington, counsel of Combined of Chicago and a member of the Illinois senate.

As usual, the insurance luncheon drew a capacity audience, and there was a notable attendance of local company and trade organization executives in honor of the NAIC president. The special guests were introduced by Levering Cartwright, insurance journalist and vice-chairman of the insurance group, who made his function noteworthy by calling for applause for each dignitary, but "without discrimination." Mr. Cartwright managed this by having everyone give one resounding clap, in unison, as the guests were introduced. This worked very well after the first name was called and there was some spotty clapping, for which Mr. Cartwright chastised the audience, but there was a question as to whether the plan was so enthusiastically received as to diminish interest in the person being introduced in favor of one well-timed clap.

Among those receiving introductions were four former insurance commissioners: Spaulding Southall of Kentucky, assistant general manager of National Assn. of Independent Insurers; Newell R. Johnson, Minnesota, general manager of American Mutual Alliance; W. Lee Shield, Ohio, associate general counsel of American Life Convention, and Nellis Parkinson, Illinois, now with United of Chicago. In addition, there were top executives on hand from nearly all of the local fire, casualty and life companies in the Chicago area.

Gives Mutuals' Views on Switch in Block Coverage

(CONTINUED FROM PAGE 2)

been received with general approval. Some competing company officials have declared it to be one of the finest cooperative moves that a group of insurance companies ever has made. Insurance commissioners and other insurance department officials have welcomed it as a contribution toward understanding and cooperation in the insurance industry. There is no question that the stature of TIRB has been enhanced by this decision.

There will be no relaxing of efforts by the underwriters committees and the executive committee to provide the best in coverage. TIRB suggestions will be passed on to other company groups, and every effort will be made to have them incorporate the simplicity and the advantages which even competitors admit are in the commercial block program.

There are other areas where broad

coverage package policies are needed. TIRB will examine with care the possibilities for broad form coverage on office equipment, and on manufacturing operations.

South Bend-Mishawaka (Ind.) Insurance Women recently sponsored an education day at South Bend. Speakers were Thomas E. Reed, South Bend manager for Underwriters Adjusting, and Miss Claire S. McKnight, region IV director of National Assn. of Insurance Women.

Dean S. Felder has been named vice-president of the Houck agency of Lansing, Mich. He has been in the field for Travelers since graduating from Michigan State university in 1949, and has been with the Houck agency since last October.

Iowa Approves New Crop Cover

DES MOINES—The Iowa department has approved the multiple peril crop-hail coverage as filed by Iowa Inspection Bureau for the Crop-Hail Actuarial Assn.

The insurance will be made available in 10 Iowa counties. They will be Benton, Cedar, Cherokee, Dallas, Franklin, Greene, Grundy, Henry, Jasper and Pocahontas.

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Man 30 to 45 able to take over complete management of company operation, including motor vehicle, fire casualty, surety. Must be able to set up procedures of accounting, underwriting, policy issuance and claims.

Company is very well financially organized. This position will lead to an officership. Salary is open commensurate with experience and ability. Write complete details in first letter to Box L-27, The National Underwriter, 175 West Jackson Blvd., Chicago, Illinois.

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INSURANCE OPPORTUNITY

We are a 114 year old Marine & Fire Company group. As part of our continuing nation wide expansion program we now need the services of a man between 28 and 38 who has a predominantly fire insurance background for field work out of our Milwaukee, Wisconsin office. A successful record of field production in and around Milwaukee and Wisconsin would be helpful although this is not absolutely essential. We are looking for a better than average man and intend to pay a better than average salary. Write giving full experience, details, and information concerning experience, family and military standing to Box L-7, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Young man as underwriter of casualty and fire insurance qualified to service existing accounts and assist in developing new business for established agency in Detroit, Mich. Salary open. Wonderful opportunity for advancement. State age, experience, marital status and other pertinent confidential information. Write Box K-91, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Multiple Line Stock Company offers unusual opportunity to young man (28-38) with background in insurance accounting and statistics. Must be familiar with all phases of home office insurance accounting, annual statement, etc. Knowledge of IBM system and procedures desirable. Salary commensurate with ability and experience. Give detailed history of previous experience, age and other pertinent facts. Replies confidential. Our employees know of this ad. Address Box L-42, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

SAFETY ENGINEER

wanted for Chicago—auto furnished—excellent opportunity—replies held in confidence. Address Box L-35, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

UNDERWRITER WANTED

To handle auto and some casualty in an established Chicago general agency. Three to four years experience required. State qualifications and salary. Address Box L-38, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

County's Self Insured WC Program Defended

Administration of Erie county's self-insured workmen's compensation program by Robert F. Coleman Inc. of New York has been efficient and saved the county money, the supervisors' insurance committee was told in Buffalo.

Ernest S. Oberdorf, president, defended his company's administration of the program since 1951 when the county began the self-insured project. Mr. Oberdorf pointed out that when the county made the change its payment and accident record was so bad a 69% increase was attached to its basic insurance premium. Now, he said, the record has so improved that, were the county still dealing with an insurance company, a 12% reduction would be in effect.

Under the self-insurance program this record does not affect premium payments to the insurance fund but is shown in a reduction of payments and thus a greater reserve in the fund.

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Education—Business Administration
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FIELD MAN FOR WISCONSIN

Stock company needs experienced Field Man to open state. Good proposition for agencies competing against direct writing auto companies. Excellent opportunity for an ambitious Wisconsin man who knows the auto insurance business. Address Box L-49, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Urges Positive Sales Approach for Homeowners

(CONTINUED FROM PAGE 11)

for some expiration. A positive program going after each group automatically must be worked out even though it takes more man-hours to go through all existing clients. There is too much at stake and the return can be fabulous from such an investment in time and effort."

Mr. Daenzer expressed the hope that the differences between the divisibilists and the indivisibilists will be overcome. There is no real need at the present time for two kinds of contracts since there is sufficient flexibility in the whole range of the homeowner kit—the remarkable adaptability of the two master policies.

"The package principle and the indivisible rate are in the public interest. These contracts were specifically designed for the needs of each group of personal clients. For some one to object that he does not have an outbuilding or that he does not need such a high limit for on-premises theft makes no difference if the entire package includes all of these possibilities if they should develop and all is granted at one bargain package price. Does one refuse a CPL policy just because he does not own a dog or refuse the advantages of the EC perils? Less inclusive covers would be more expensive. The long range history of insurance is one of continuing improvement to better and better indivisible packages."

Mr. Daenzer concluded his talk by urging agents to positive action with the admonition: "There are \$200 million worth of homeowner premiums to be written by someone."

Otstot, Stringfellow on Pitt County Card

Representatives of North Carolina Assn. of Insurance Agents and North Carolina Assn. of Mutual Insurance Agents appeared together for the first time on the program of a local insurance organization at the annual ladies night banquet of Pitt County Insurance Exchange in Greenville.

Sherman G. Otstot, executive secretary of the state agents' association, spoke on wage-hour regulations and unemployment compensation. William A. Stringfellow, executive secretary of the state mutual agents' group, spoke on local agency advertising. Ernest L. Willard, president of the county group, was in charge of the program.

Policy Vending Firm Chartered in S.C.

Insurance Automal Corp. of America has been granted charter to purchase, operate, lease and sell insurance policy vending machines in South Carolina. It also has permission to act as agent for insurance companies and list stock of \$50,000. J. N. Walsh is president.

D. C. Asks Traffic Reciprocity

A reciprocity agreement has been proposed between District of Columbia and Virginia to better the enforcement of the former's safety responsibility law. The D.C. traffic and vehicles department said a number of drivers, unable to satisfy court judgments in traffic accident cases, evade the local safety responsibility law by transferring auto titles to members of their families in Virginia. D. C. has reciprocity agreements with Maryland and 21 other states.

The Lindsay C. Lamb agency at Michigan City, Ind., has moved to larger quarters at 114 West Fifth street, Robert Lindenmeyer has joined the agency as an associate.

Courts Now Overlooking Negligence

(CONTINUED FROM PAGE 9)

2. By multiplying the number of judges, courthouse facilities and calls upon the citizenry for jury duty, so that enough court rooms, with full complement of judges and jurors will be constantly in session to keep pace with the intake of cases.

3. By taking the automobile accident cases out of the court and placing them in a compensation board like workmen's compensation.

New York serves as a sort of laboratory and merits a study of the techniques tried and lessons learned, Mr. Kenneally continued. These lessons may well be applied to other jurisdictions. The cost of running the courts for New York City is greater than the combined expense connected with the operation and functioning of the entire judiciary of the United States, he stated. There are 2,600 judges in New York state. The expense to the taxpayers is said to be \$40 million and may be as high as \$60 million.

A few years ago a committee of 24 men was selected to explore the possibility of relieving calendar congestion in New York courts. The committee consisted of four supreme court judges, six claim managers of liability insurance companies, six lawyers whose practice was confined exclusively to plaintiffs, six lawyers practicing exclusively for defendants, one representative from the comptroller's office of New York City and one representative of the corporation counsel's office.

This committee, he added, selected 14 judges known to be impartial, competent and satisfactory to both sides. These judges were assigned to non-jury parts. The cooperation of defendants and plaintiff's counsel was solicited. Results were satisfactory to both sides.

Four years conditions were termed wretched and deplorable in New York county, he said. Yet, it was not generally known that all suits based on a debt, sale or other commercial transaction are reached without delay. All matrimonial matters, landlord and tenant litigation and all equity matters are handled promptly.

Proceedings to review real estate assessments and condemnation proceedings to fix the value of real estate are all tried when ready. In all branches, except personal injury trials, New York county is up to date. But there is a delay of approximately three years in jury trials of bodily injury cases, Mr. Kenneally said.

This does not imply that it takes three years to dispose of a case in this congested court, he stated. Personal injury cases are noticed for trial in the supreme court of New York county by the hundreds each month. It takes an average of four days to try a personal injury case. There are 24 judges assigned to this court. In 1953-1954 there was a back log of 13,000 cases. Recent figures show a reduction in this back log of 5,000 cases. However, in the year 1955, this court disposed of only 138 personal injury and death actions by a full length jury trial, fewer than an average of six jury trials per judge.

Insurance companies are responsible for the reduction in back log, and for the amazingly few jury trials, Mr. Kenneally continued. It has been on a purely voluntary basis. Several companies with an appreciable amount of litigation in New York City, are ready to waive a jury trial in New York county on almost every case coming into that court. The only kinds of cases which they have demanded a jury for the past four or five years have been those which could not properly be evaluated immediately. He quoted Judge Peck again:

"The only thing that stands in the way of a prompt trial in any action is the desire of a plaintiff's attorney for a jury. We can fairly state to the bar and to the public, therefore, that there is no delay in the courts except by plaintiff's lawyers' choice and insistence. The question has become: Do you want a prompt trial or a jury trial."

Mr. Kenneally said that Sterling James, in his 1948 report sponsored by Yale law school, established that, in 90% of cases wherein the defendant is insured, settlements are made out of court and not by formal trial.

He contrasted this with Judge Peck's figures showing only 138 completed jury trials by 24 judges in New York county with a reservoir of 15,000 cases.

Another milestone on this road to liability without fault is the pre-trial conference he said. Better than 30% of the pre-trial discussions wind up in settlements. Mr. Kenneally added that Judge Bernard Botein of the appellate division first department, New York state, has devoted an entire chapter of his book, *Trial Judge*, to settlement and pre-trial conferences.

He said Judge Botein made notes of the offers made by several claims adjusters of large insurance companies—not accepted by the plaintiffs. He quoted the judge as saying the gross experience would indicate the claims adjusters know their business. The total settlements made on the cases, including settlements and verdicts, after the cases left the pre-trial part, were not much in excess of the total offers made in those parts.

Mr. Kenneally said pre-trial sessions are an integral part of courtroom procedure. A year ago Kings county conducted a pre-trial calendar during November and December. Insurance companies cooperated. All the judges were assigned to pre-trial parts. Plaintiff's and defendant's attorneys, and adjusters were told when to appear. Some judges handled as many as 35 to 50 cases per day. A lot of them were settled. A lot of them were

marked off the calendar. Some were dismissed. The back log of calendar cases in Kings county was greatly reduced.

He pointed out that a pre-trial discussion is very informal. It has lost its primary objective to diminish the law's delay by agreement on certain issues. It has developed by sheer necessity into a forum where plaintiffs and defendants may arrive at a settlement of their differences with the aid of the court. Though it has worked well, he said, the very serious cases have not been settled in pre-trial, possibly due to exorbitant demands, inadequate offers, or a combination of both. It may be due, he said, to a disinclination on the part of plaintiffs and defendants to divulge their entire cases unless there is a possibility of a reasonable settlement.

All these measures have contributed a lot to the purpose for which they were instituted, Mr. Kenneally concluded. The use of special referees, non-jury parts, settlement call calendars, pre-trial calendars, medical expert calendars have just scratched the surface. A new set of standards is replacing the technical law of negligence. It is the law of action, the negotiation for settlement. The fact remains that there is a much closer approach today to absolute liability in practice than in theory.

Award \$2½ Million Cal. Bond

Fidelity & Casualty is surety on a \$2,426,894 Los Angeles county contract awarded to Fred J. Early Co. of Torrance, Cal., for construction of storm drains in the county.

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FIELD

American Appoints Milnor to Cal. Field, Makes Ky. Transfer

American of Newark has appointed Richard P. Milnor California special agent at Sacramento and has transferred Paul R. M. Miller, West Virginia special agent, to Louisville, succeeding Marshall M. Royce who has resigned.

Mr. Milnor operated his own agency for eight years before joining American's Pacific department. He was superintendent of the reporting forms department.

Mr. Miller was a local agent before joining American in West Virginia.

Wadsworth to Indiana Field for Mass. Bonding

Massachusetts Bonding has named Frank H. Wadsworth field representative for southern Indiana and parts of Kentucky. Mr. Wadsworth, who has been in insurance for 18 years, many of which were in this territory, will operate out of the Indianapolis branch office.

Stephenson Named Hail Special Agent in Canada

Kenneth R. Stephenson has joined Fireman's Fund group as hail division special agent for Alberta, Saskatchewan and Manitoba. He will have headquarters at Regina, Sask., where he will assist Special Agent Ted Rose.

Mr. Stephenson was formerly with Northwestern Adjustment where he specialized in hail losses.

Two to Carolina Field for Fireman's Fund Group

Eugene C. Roundtree and Randolph H. Lewis have been named special agents for Fireman's Fund group in North and South Carolina, respectively.

Mr. Roundtree will have headquarters at Raleigh and Mr. Lewis will be at Columbia.

Mr. Roundtree began his insurance career in 1940 with North Carolina Inspection & Rating Bureau. He has had several years of experience with a casualty company.

Mr. Lewis has had more than six years of field experience with another group.

Baseball Talk at St. Louis

ST. LOUIS—Several life members of the St. Louis Blue Goose were honored at an old-timers meeting last week. The speaker was Paddy Keough, who was a contestant on the "\$64,000 Question" television program. He told some of his experiences.

The 1956 initiation and installation of officers is scheduled for May 28 at Missouri Athletic Club. Some 20 goslings are expected to take their swim.

Hall Heads Pine Tree Club

Everard E. Hall, American, has been elected president of Pine Tree State Field Club to succeed R. P. Averill who resigned to enter the agency field. Reports of the recent agents conference committee and EAU meetings were given by C. R. Johnson of Hartford Fire and Paul E. Goode, Boston.

Green to Field Post

Robert Green, who recently joined Stuart G. Thompson-Elwell general agency of Portland, Ore., has been transferred to Spokane as special agent

for eastern Washington and northern Idaho.

He was formerly with Bates, Lively & Pearson general agency as manager at Eugene, Ore. He was also a field man for American Auto and the McCollister & Co. general agency.

Phoenix, Eng., Names Specials in Tex., N. Y.

Phoenix of London group has appointed as special agents Sammy J. Piller in Texas and John J. O'Grady in New York.

Mr. Piller will work under supervision of R. Allen Hickman, manager, at 212 North St. Paul street, Dallas.

Mr. O'Grady will be under the direction of William Streets, manager, with headquarters at 217 Heffernan building, Syracuse.

Before joining the group, Mr. Piller was with the Texas Insurance Checking Office as crew chief for rate inspections with the fire insurance department.

Mr. O'Grady was special agent of Caledonian-American in New York.

Fireman's Fund Makes 3 Tex. Field Appointments

Fireman's Fund group has named D. F. Rudloff and R. Mason Wise special agents in southwest and west Texas, respectively.

Mr. Rudloff will have headquarters at San Antonio and Mr. Wise will have headquarters at San Angelo, where he succeeds F. L. Raborn, who has resigned.

Rudolph Norris has also been named to the Texas field as a casualty, fidelity and surety specialist. He will have headquarters at Dallas.

Wilbur to Missouri for Fireman's Fund Group

Fireman's Fund group has named Stanley F. Wilbur special agent in western Missouri with headquarters at Kansas City.

He had several years of field experience in the state before joining Fireman's Fund.

Inspect Lapeer, Mich.

Michigan Fire Prevention Assn. inspected Lapeer. The group inspected 157 risks, of which 123 were found defective. Four talks were made to a total of 1,293 students and 162 adults attended a luncheon at which an address was given by Harry H. Wolff of Western Actuarial Bureau. Forty field men participated.

Andreae Joins Indiana

Indiana, Consolidated and Cooling-Grumme-Mumford Co. general agency have appointed William E. Andreae as special agent in St. Joseph, LaPorte, Porter, and Lake counties. Mr. Andreae has been special agent for Boston, and prior to that was with Indiana Rating Bureau at South Bend.

Miller Transferred to Ky.

Paul R. M. Miller has been transferred by American of Newark from Charleston, W. Va., to Louisville as special agent in the Kentucky field.

CORRECTION

The testimonial dinner for MLGG Robert L. Wiseman recently at Washington, D.C., was given by National Capital pond instead of Baltimore pond, as previously reported. National Capital pond is Mr. Wiseman's home pond.

Mountain Field Club to Meet

Mountain Field Club will meet at Manchester, N.H., March 26 to discuss the club's participation in a proposed educational forum of Eastern Underwriters Assn.

American Appoints Tighe at Bethlehem

American of Newark has appointed Raymond P. Tighe special agent at Bethlehem, Pa., succeeding Special Agent Carl T. Wagner who went to the home office as superintendent of the fire underwriting department.

Mr. Tighe entered insurance with General Adjustment Bureau in 1944 and was made manager of their Allentown, Pa., office in 1950. His office is at 6 West Broad street, Bethlehem.

Perlet to Address N.J. Field Men

Harry F. Perlet, general manager of Interbureau Insurance Advisory Group, will be guest speaker at the March 26 meeting of New Jersey Insurance Fieldmen's Assn. at Newark. The group has also planned the annual past president's golf outing and dinner May 29 at Rock Spring Country club.

Great Northern Names Nolan Wis. State Agent

Thomas H. Nolan has been named Wisconsin state agent for Great Northern of Minneapolis. He will have headquarters at Appleton.

Mr. Nolan was a field representative for General of Seattle at Rockford before joining Great Northern.

Hartford Accident Names Specials in Tex., N. Y.

Hartford Accident has named F. L. Brooks and James S. Ewing special agents in Texas and Martin D. Maul special agent at Albany.

Mr. Brooks has been assigned to the northeast Texas territory. He joined the company in 1948 as an engineer. Mr. Ewing will work in the north central area of Texas. Mr. Maul joined the company in 1946 and has been in claims work since then.

PR Session for Field Men

A public relations clinic was conducted for Michigan Fire Underwriters Assn. last week at Michigan State university, with some 75 field men and members of the Michigan Inspection Bureau staff present. Among speakers were Philip Martin, community relations director for Ford Motor Co., and Harold Gray and Donald Triutt of the university business administration staff.

Capital Stock Fire Insurance Assn. of Louisiana will inspect Eunice, April 18.

The women's auxiliary of Tennessee Pond of Blue Goose, is planning a barbecue and barn dance at Gossett's barn April 7.

A & S

Psychiatrist Addresses Chicago A&H Roundtable

Fifty members of Chicago A&H Roundtable heard Dr. M. J. Jansen, practicing psychiatrist and member of the Illinois Neuropsychiatric Institute, discuss mental and nervous disorders, their nomenclature and how they affect morbidity at the March meeting.

Dr. Jansen gave the underwriters an insight into the difficulties of diagnosing patients in a "disturbed state," explaining that what the patient explains to the doctor at the initial interview, which becomes the diagnosis the underwriter receives, may not be the true diagnosis after treatment has been initiated.

She indicated that the categories of

psychiatric terminology have not been definitely defined within the fields of medicine and psychiatry, causing an interchange of terminology when describing the same disability.

The main factors to consider, she said, are what caused the disturbed state and whether or not the individual has successfully returned to normal duties.

The business session, under the direction of Herb Nietzold, Bankers Life & Casualty, formed a nominating and rules committee for the election in May. The committee consists of Mr. Nietzold; Leona Davis, Guarantee Reserve, Hammond, Ind.; Walter Letzsch, Central Standard; James Warnken, Modern Life & Accident, and Jack Robinson of Prudential.

Mich. Blue Cross Investigation Group to Begin Hearings

LANSING—Although there have been no further legislative developments, a special commission named by Gov. Williams to study operations of Michigan Hospital Service (Blue Cross) and Michigan Medical Service (Blue Shield) and seek possible remedies to curb rate increases, held its organization session last week.

The 17-member group, headed by George E. Bowles, chairman of the state labor mediation board, conducted its first session in secret. It was decided to begin taking testimony March 27. Representatives of both service organizations and of Michigan Hospital Assn. will be heard the first day with spokesmen for industry, labor and the state insurance department appearing the following day. Mr. Bowles said the commission has only \$200 at its disposal to conduct its study and may not be able even to afford a stenographer to record testimony. He will advise witnesses to present their views in writing.

The legislature has three resolutions in committee calling for investigations. Union labor spokesmen became volubly critical of Blue Cross operations a few weeks ago when Commissioner Navarre was asked to approve a 23.6% rate increase. Gov. Williams asked a full hearing before action by the commission and Mr. Navarre eventually approved a 15% increase which became effective March 1.

N. J. A&S Agents Hear Talk on Benefit Payments

"The Salutary Effects of an Intelligent Benefit Payment Program on Sales and Public Relations" was the topic of George F. Monks, manager of A&S claims for New York Life and chairman of the A&S committee of International Claims Assn., at the March meeting of New Jersey A&H Assn. at Newark.

Mr. Monks compared a claims man to the anchor man on a relay team. He said attention was, of necessity, focused on this final activity but the resultant performance was necessarily dependent upon what had gone on before.

Analyzing the various problems that were created in claims handling on a nation-wide basis, he discussed the most common problems of average claim departments by tracing the potential cause of the misunderstanding and possible unpleasanties back through one of the various operations prior to the occurrence of the claim. Emphasis was placed on the proper selection of risks from both a moral and physical standpoint; the necessity of a complete understanding of the policy terms by sales forces so that the

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benefits and limitations could both be properly explained and justified at the time of sale, and the necessity of delving into the past medical history of the applicant. Illustrations of the manner in which these factors could be handled at the time of sale were given and pointed out as being exactly the same type of reasoning a claim man would have to use when explaining to a policyholder that the benefits payable would not meet his expectations. Mr. Monks maintained that it is better not to issue than to have to rescind and that a loss, unreported because it is recognized as "not covered," is better than having the loss presented and resulting in a denial of liability.

President Francis T. Curran of Loyalty group announced that the speaker for the April 12 meeting will be Miss Mary C. McKeon of Arlington, N.J., Prudential division manager, and president of Newark Assn. of Life Underwriters.

Refund 75% of A&S Premium if Cancelled

An A&S bill passed by the Georgia legislature, effective July 1, provides that when a company wishes to cancel for reasons other than non-payment of premium, attainment of an uninsurable age or assumption of an uninsurable occupation, the company must refund to insured 75% of the difference, if any, between the total premiums paid on the policy from the inception date and the total payments and/or benefits received by insured under the policy.

The bill also provides a 10-day free look at the policy and other minor protections for insured.

Michigan A&S Agents to Hold Sales Congress

Michigan Assn. of A&H Underwriters will sponsor a sales congress at Michigan State university, April 19.

Speakers on the program include Leonard McKinnon, president of the McKinnon & Mooney agency of Flint; Sid Horman, executive vice-president of Time of Milwaukee; Oakley Baskin of Mutual Benefit H.A., Buffalo; Ed Harden, executive vice-president of public relations for Drop Forging Assn., and J. W. Thompson, sales consultant to several national organizations and an instructor in business administration at Michigan State.

Combined Companies Have Big Gains in Assets in 1955

Combined of Chicago group showed substantial increases in assets in 1955, President W. C. Stone reported. Assets of Combined rose to \$8,823,541 from \$6,870,828, more than 29.6%.

An increase in assets of 30.8% was chalked up by Combined American of Dallas, with \$1,331,609 as of Dec. 31, compared with \$1,017,720 a year earlier.

Hearthstone of Boston had assets of \$1,351,046, a gain of 41.3% over the 1954 total.

First National Casualty of Fond du Lac, Wis., had assets of \$570,041 as of Dec. 31, 1955, an increase of 6.2% over the \$536,483 of 1954.

Heavy Agenda for McDonald

Five "field trips" are on the April and May agenda of Clifford McDonald, International Fidelity, Dallas, president of International Assn. of A&H Underwriters.

April 9-11 he will attend the A&H meeting of LIAMA in Chicago. On April 13, he will speak at the Presidents Day of the Austin association. April 20 he will be on the program of the Illinois state A&H convention and on April 21, the Minnesota state convention. May 11 he will speak on the state program of the West Virginia association at Bluefield.

Combined Puts Conferences on Film for Key Personnel

Combined of Chicago has developed a new company communications method by which a film is made of special conferences, instead of using a closed circuit television hook-up for on-the-spot briefing of all key personnel throughout the country.

W. Clement Stone, president of Combined companies, said the filming procedure proved successful in an initial experience at a regional sales conference in Chicago. The film, a 16mm sound-strip, was produced by professional cameramen and edited by experienced newsmen with the advice of company officials. From a standpoint of costs, the filming can be done at much less expense than a closed-circuit telecast, Mr. Stone said, adding there are many other advantages of filming.

Instead of a long television program which caused "a great waste of time for key personnel in the branch offices, the film through fine editing can be reduced in length and shown at hours when everyone can be present and when there is no encroachment upon regular working schedules," he explained.

Fourth A&S Association Organized in Indiana

Northwestern Indiana Assn. of A&H Underwriters was organized at a meeting in Gary. This becomes the fourth local A&S association in the state. It will serve the Calumet area, which includes Gary, Hammond, East Chicago, Valparaiso and surrounding towns. It will also accept members from nearby Illinois towns. Temporary officers elected are: President, James J. Craig, Jefferson National Life, Hammond; vice-president, Robert D. Rice, All American Life & Casualty, Gary; secretary, J. B. Elliott, Continental Assurance, Valparaiso.

Other Indiana locals are in Indianapolis, Fort Wayne and South Bend. The Northwestern association is the third formed in the state in 18 months. The state association was organized two years ago.

Buffalo A&S Meeting Features Four Speakers

Three insurance company executives and an advertising novelty sales manager addressed Western New York A&H Assn. sales congress in Buffalo. They were Alfred W. Perkins, vice-president of Union Mutual Life; Morgan O. Doolittle, president of Empire State Mutual Life; Ralph C. Waterhouse of Brown & Bigelow, advertising, and Ralph E. Stanley, eastern sales director of Mutual Benefit H.A.

Louisville A&S Group Elects Rothrock President

Louisville A&H Underwriters Assn. elected Karl E. Rothrock, Hoosier Casualty Co., president, succeeding W. W. Ziege, World of Omaha, who becomes chairman. William Boyer, Mutual Benefit H.A., was elected 1st vice-president; Andrew Carr, Bankers L&C., 2nd vice-president; Rowland Ziege, World of Omaha, secretary, and Mrs. Daphne Berry, Mutual Benefit H.A., treasurer.

FTC to Hear Two More A&S Cases

Arguments were scheduled in Washington this week in two cases of federal trade commission complaints charging false advertising of A&S policies. An FTC examiner scheduled argument on motion of Massachusetts Bonding to dismiss the complaint against it on ground of lack of FTC jurisdiction, and argument was scheduled before the full commission on appeal by the FTC staff counsel supporting complaint against American Hospital & Life from the initial decision by Examiner Cox, which was in favor of the company.

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EDITORIAL COMMENT

A Hint of Horrors to Come

National Safety Council predicts that by 1966 there will be 82 million motor vehicles on streets and highways, 20 million more than there are today, driven at various times by 90 million drivers. This vast horde will travel some 825 billion miles a year. But the significant projection of the council is that 53,000 will get themselves killed in traffic accidents each year, compared with today's 38,000 plus.

To the automobile insurance underwriter it must be nightmarish to contemplate the horrors ahead. At present any clear three-day holiday weekend constitutes a catastrophe for the automobile casualty companies. By 1966 it will take sound casualty insurers to survive jolts of this kind, and a year's total will almost make anything like an accidental peacetime atomic reactor explosion look pretty pale.

With this kind of increase, all of those interested in safety in U.S., including the insurance people, will have to do a remarkable and tremendous job to hold accidents even with today's in relation to the millions of miles traveled. To bring down the total will require both genius and effort.

In fact, the council already is projecting a program which appears to be extensive enough, intelligent enough, and burdensome enough to cope with the monstrous problem.

Among the 10 suggestions the council proposes are more and better highways, uniform vehicle laws, mandatory driver education in high schools, tough standards for getting a driver's license, license revocation as soon as the driver demonstrates his inability to drive, and encouragement in automobile design for safety.

Phone Numbers Belong There, Too

Recently we ran an editorial commenting and promoting a suggestion made by Vice-president Louis H. Martin of the National Underwriter Co. that life company home office letterheads should show the street address.

We have received a number of letters heartily commending this suggestion and nearly all of them added that the telephone number should be on the letterhead, too. John Lobingier Jr., public relations director of Life Insurance Agency Management Assn., made the argument for telephone numbers even stronger by pointing out that it is increasingly important to have telephone numbers on letterheads as long-distance dialing comes into the picture.

Even without long-distance direct dialing, telephone numbers are handy to anyone making a long-distance call because when you have the telephone number of the person you are trying to reach the call goes through much faster. Because of improved equipment now in use among telephone companies, the connection is made about as fast for a long-distance call as for a local call if you have the telephone number and do not have to wait while the long distance operator calls "information" in the distant city.

Another articulate advocate of telephone numbers on letterheads is Russell Edgett, secretary of Insurance

Federation of New York.

"What in the world is the theory in back of leaving off such information?" he asks. "I wonder if some of the people who leave it off ever tried to get a long-distance call through to another whose letterhead lacks such pertinent data. The long-distance operator, after fussing around with an information operator in the city or town requested, frequently informs you that, 'We have several listings for the "Whoozis Company" in St. Pittsford—do you have a street address?' So then you apologetically tell her the only additional information you have is 1826 Weeping Willow Savings, Title Guaranty & Chowder Club building, after which she asks, very sweetly, 'and what is the street address?' Need I say more?"

"Yours for bigger and bolder addresses (not to mention telephone numbers)."

Not directly on the subject of telephone numbers on letterheads, but as another sequel to the editorial on street addresses, we're glad to relay the information that, as a result of the editorial, Confederation Life of Canada plans to reverse a practice of long standing and show the street address of the head office on all letterheads used by executives.

Wishing us success in our campaign, P. I. Murray, manager of public relations of Confederation Life, writes:

"We feel that, thanks to your good-natured prodding, we have taken another step along the road of progress."

President Chester O. Sullivan of Midland Mutual Life, however, brings up a point which had not occurred to us, nor to Mr. Martin, and which may be a consideration for some companies. This is the fact that the street address of the home office may not be the place where the company customarily gets its mail. For example, the home office of Midland Mutual is at 250 East Broad street, Columbus 15, O. This address, as Mr. Sullivan points out, is important to the people who visit the home office and to the boys who deliver registered and special delivery mail, parcel post packages and express. However, the address for all regular mail is P.O. Box 1938, Columbus 16.

"Although I have not checked this with the Post Office department, it would be my opinion that the clerks who sort the mail would prefer to have our mail addressed to Columbus, O.," Mr. Sullivan writes. "I have noted the street address from their statements, which suggests that the use of a street address may not be helpful to the post office. This may or may not have any bearing on the fact that street addresses do not customarily appear on life insurance letterheads."

Offhand, we don't know how widely the situation described by Mr. Sullivan would apply. Where it does, a possible solution might be to give the home office street address in the main part of the letterhead and over to one side show the post office box number with an indication that mail should be addressed there.

PERSONALS

Through the efforts of Francis E. Bruns, special agent of Springfield F.&M. in Michigan, the Underwriters' Laboratories will be featured on the TV show, "You Asked for It," Sunday March 25 on ABC network.

James M. Unland, local agent at Pekin, Ill., is a Republican candidate for Congress in the April 10 primary.

Philip L. Baldwin, executive secretary of National Assn. of Mutual Insurance Agents, is in Emergency hospital, Washington, D. C., after a coronary attack. His wife, May Baldwin, said the heart muscle is not injured, but that Mr. Baldwin will have to take a long rest.

Charles T. Southwell, retiring manager of the Jacksonville office of General Adjustment Bureau since 1936, was given a testimonial luncheon there

by friends and associates in the insurance business. Attending were representatives of Jacksonville Insurers Assn., Insurance Women of Jacksonville, Jacksonville Claim Men's Assn., and Florida Assn. of Managing General Agents. L. P. McCord, past president of the local and state agents' associations and presently state national director of Florida Assn. of Insurance Agents, was master of ceremonies and presented Mr. Southwell with several gifts.

Orville S. Morse, 88, dean of insurance agents at Janesville, Wis., was honored at a luncheon recently. He has been in the business for 57 years, starting with the former Carter & Haselton agency in 1899. He has been cited by companies and agents' associations many times in his long career.

DEATHS

F. C. BROADFOOT, 72, vice-president of D. K. MacDonald & Co. general agency at Seattle for the past five years, died there after a long illness. He began his insurance career at Vancouver, B.C., and 36 years ago went to Seattle as a representative of Rollins Burdick Hunter general agency. He was a partner in the Broadfoot, Soderberg agency before joining the MacDonald agency.

CHARLES P. HANNAH, 72, New York City broker more than 50 years, died at a Bronx hospital. For many years he was president of Henry Honig & Son, one of the city's oldest brokerage firms.

FREDERICK A. BILLS, 71, local agent at Rochester, N. Y., died while visiting friends at Chili, N. Y.

L. B. LEIGHNINGER, 62, vice-president and director of Ohio Hardware Mutual, died of a heart attack while making agency calls in Canton, O. Mr. Leighninger had been with the company for more than 34 years.

NELSON RUTHERFORD, 80, a retired Lansing agent, died after a short illness.

R. F. BARICH, 67, retired auto adjuster at Butte for General Adjustment Bureau, died at Stockton, Cal. Mr. Barich had been in insurance from 1924, when he was manager at Butte for Royal Indemnity, until 1955, when he retired. He went with GAB in 1928 as chief of the auto casualty section in Butte.

WALTER P. FAY, manager of the eastern regional office of Factory Insurance Association at Hartford, died after a brief illness. He lived in Newington, Conn. He joined FIA in 1914

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as an inspector, spent two years in the field and was made supervisor in the inspection department at Hartford. He rose to executive assistant in 1946 and assistant manager in 1948. In 1955 he was named manager of the eastern regional office. He was past president of FIA's long service club, The Pioneers.

IRVIN A. WEAVER, 60, vice-president of Secured of Indianapolis, died at his home there. He had joined Secured 11 years ago to set up the company's accident and sickness department. Before that he had been manager of the A&S department of Hoosier Casualty. He was a past president of Indianapolis A&H Assn., and



was active for many years in H&A Underwriters Conference, serving as chairman of committees and taking part in the development of hospitalization insurance.

WALTER J. McDOWELL, 55, manager of the Continental Casualty claims office in Buffalo, died there. He entered insurance as head of the claims unit of Charles F. Joyce Co., Buffalo local agency, in 1920, and in 1953 went with Continental Casualty.

CHARLES M. THOMPSON, 91, formerly with the Markham & Co. general agency at St. Louis, died at his home there. He began in insurance some 70 years ago in the C. L. Thompson & Son general agency founded by his father and joined Markham several years ago.

ROBERT E. BROWNE, 69, local agent at Racine, died at his home there. He began his insurance career in 1920 and for many years was with the McQueen agency.

HENRY C. CERASALE, 56, a supervisor of National Fire, died after a heart attack at his home in Meriden, Conn. He had been with the company 37 years.

EDWARD H. SCHUBERT, 45, controller for Meeker-Magner Co. agency Chicago, died unexpectedly of cerebral hemorrhage. He joined the agency 10 years ago following discharge from the navy.

Expect Over-all Cut in Auto Rates in Texas

AUSTIN—An overall state wide reduction of 7% in automobile insurance rates for Texas, effective May 1, was indicated in statistical evidence submitted at a March 15 hearing before the department in Austin.

The most notable fact was a favorable experience in collision lines, with an 8% reduction indicated. The good showing was attributed to the drop in the used car market rather than to decreases in accidents or repair costs.

A 2% reduction was indicated in liability lines, with particular mention being made of exceptionally heavy losses in Harris county (Houston). No change is indicated in comprehensive cover, largely because of a big increase in glass breakage.

In accordance with long-standing custom, the board is expected to announce the new rates well in advance so that there will be no delay in handling May renewals.

Standard Accident Gives Investors a Front Row Look at Its Annual Statement and Plans for 1956

Standard Accident, which for about 10 years has been meeting in some of the leading cities with its large institutional stockholders to explain the annual statement in an informal way and to answer questions, was host in Chicago last week to about 20 investment men. Officials of the company reported on 1955 results and gave their opinions on the outlook for the next few years.

President L. K. Kirk led the group from the home office, which included E. A. Warnica, senior vice-president, and L. M. Goodspeed, vice-president and treasurer.

The Chicago branch office was represented by Manager P. J. Lynch; E. F. Gallagher, manager of fire and marine; F. A. Hackett, casualty manager, and G. E. McAllister, production manager. Resident vice-president J. S. Richardson was on vacation.

Standard Accident was one of the first and is today one of the very few insurance companies to hold such stockholder meetings. They have been going on for about 10 years in Detroit, about eight years in New York and for several years in Boston. This was the second meeting in Chicago, and meetings were started last year and will be held shortly again this year in San Francisco and Los Angeles. The idea is to give institutional investors a chance to meet the management, find out about underwriting results, learn about investment policy and ask whatever questions they wish. The 1956 meetings are somewhat more significant because in 1958 the arrangement between Standard Accident and Automobile Club of Southern California will be terminated, and the Standard management had a message to deliver on its plans to replace this volume.

Mr. Kirk said the deal between Standard and the southern California auto club is 41 years old. It has been a profitable arrangement for Standard, but since 1950 it has become a rather larger part of Standard's business than it was originally believed it would be. Since 1952 the auto club volume has risen so rapidly that Standard was obliged to curtail its operations in some other parts of the country. The arrangement called for Standard to accept all auto club business offered.

The ultimate loss of this business, Mr. Kirk explained, will not make Standard Accident unduly unhappy. It will give the company a chance to obtain better distribution of business both by line and by territory. The contract between Standard and the auto club called for a three year notice of termination, but preliminary negotiations actually began sometime in 1954. In June of 1955 the automobile property damage liability business was discontinued, and about \$500,000 of the ultimate amount to be lost already is off the books.

Mr. Warnica said Standard began in 1954 to make preparations to replace the auto club business. Plans are well under way to strengthen the line production operation and market surveys have been taken and are being

Minneapolis Agents Hear Johnson

Recently developed dwelling lines with emphasis on the comprehensive dwelling policy were explained by Warren W. Johnson, assistant secretary of St. Paul F&M group, at the March meeting of Insurance Club of Minneapolis.

acted on. Standard intends to become particularly aggressive in the southwest and southeast, has set up a new office at Baltimore and is expanding in Philadelphia and Cleveland. Other areas are under study.

An analysis by slide films of the salient points in the annual statement was given by Mr. Goodspeed. He pointed out that there has been a switch in bond investments from gov-

ernment to municipals, which has helped the tax on the investment rate by about four points.

Projecting the business volume through the termination of the auto club arrangement, Mr. Goodspeed said the company expects good increases in 1956 and 1957 and a small decline in 1958. The termination is effective in September of that year, and in 1959 there will be a reduction in volume to something approximating the 1955 level, but this will be made up rapidly by the sales momentum which has already begun.



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Navarre Says Deal OK

Ohio and Illinois Protests on Insurance Offer with New Autos

Insurance Federation of Ohio and Illinois Assn. of Insurance agents have attacked the offers of Studebaker-Packard, and American Motors to cover purchasers of their automobiles with travel accident insurance "at no extra cost."

In a letter to Superintendent Pryatel, the Ohio federation protests the automobile manufacturers' deal as "using insurance as a misleading gimmick. The ads make it look like a big deal-like the company was giving a whopping amount of insurance for free—and you don't get anything for free these days."

"What would happen in Ohio, if an insurance agent used the same sort of gimmick?" the federation asks. "If he offered the same kind of death benefit coverage free to each person who bought an over-all automobile policy from him? The law wouldn't permit it, of course, and we don't think automobile manufacturers should be permitted to do virtually the same thing."

Edward J. Dirksen, executive manager of the Illinois agents' association, in a letter to Director McCarthy, says he feels that the mere fact that the manufacturers have purchased insurance under some kind of a group plan would not allow them and their dealers to escape the provisions of the insurance laws defining group A&S and defining what constitutes the selling of insurance as an agent, broker or solicitor.

LANSING—Commissioner Navarre of Michigan has come to the defense of American Motors and Studebaker-Packard and their offers of "free insurance" with each car sale. He said the plan is "perfectly legal in Michigan" and in many other states.

Greater New York Brokers Assn. had claimed newspaper advertising relative to the insurance offer had stressed the plan itself in large type while mentioning only in small type that it could not be made effective in states whose laws conflicted in any way.

Mr. Navarre questioned, however,

whether terms of the New York law apply to the offer since the act specifically applies to life and A&S insurers. The American Motors and Packard-Studebaker policies, he noted, are being written by casualty companies. There appeared to be nothing in the New York advertising of a misleading character, he said.

The American Motors plan provides \$12,500 for the car owner and a similar amount for spouse in event of a fatality involving the car. The Studebaker-Packard policy provides \$20,000 coverage on the registered owner of the car. Terms of the policies, in each case, are for the first year of ownership only.

Frank Noble, assistant sales manager at Detroit for Studebaker, said the insurance plan was worked out after consultation with legal counsel and consideration of state laws.

Gives Hopeful Evaluation of Surety Situation

(CONTINUED FROM PAGE 1)

Certainly character goes a long way to see a job through, particularly in the face of adversity.

"Unfortunately, the recent reduction in premium rates is just beginning to be felt by both agents and companies because the cost of operating an agency as well as a company has not been reduced in any way. Hence, it would appear to be the common problem of the entire industry which should be worked out by allocation of acquisition cost. The entire industry is going through a hectic period. Some are optimistic enough to realize that this condition will stabilize itself as soon as we are able to realize and learn that senseless price cutting and ruthless competition gets no one anywhere."

Lee Sharpe Joins Hq. Staff of Ill. Agents

Lee Sharpe has joined Illinois Assn. of Insurance Agents as a field secretary, with headquarters in Springfield. Mr. Sharpe is a graduate of Bradley university, and recently had been with a school equipment sales company. With the agents' association, he will work in public relations and educational and membership activities.

Late News Bulletins...

(CONTINUED FROM PAGE 1)

ings. The increase on farm barns would be 23 to 40 cents inland, and 27 to 50 cents seacoast.

The bureau also asks a \$50 optional deductible on buildings and exclusion of radio and TV antennas with a buy-back for \$5 inland and \$7.50 seacoast on the antennas. The buy-back for full cover would be \$5 for each building insured in inland territory and \$10 for each building on the coast.

Fire Losses in Feb. Show Slight Drop

Fire losses in the U. S. in February totaled \$84,041,000, according to National Board. This is a decrease of 1.2% from February, 1955, but follows a total for January of \$96,972,000, compared with \$75,265,000 the year before.

N. Y. Still Disagreed on Major Bills

The New York legislature continued to exhibit its split personality this week as Democrats and Republicans pushed different legislation for taking care of the problem of the uninsured motorist and for regulation of union welfare funds. Senate Republicans had a bill setting up an unsatisfied judgment fund and were showing considerable reluctance about the compulsory bill sent them by the assembly. Senate Republicans also had a union welfare fund regulation bill which excluded funds operated solely by employers. The administration had asked for legislation regulating all union welfare funds.

Bills passed by the legislature and sent to the governor include one to require public adjusters to get written memorandums from clients before representing them and another to prohibit the licensing of any insurer owned or controlled by a foreign government.

North America Sets Up Reserve for Atom Cover

(CONTINUED FROM PAGE 1)

continuous contact with insured, the insurer has learned much about loss prevention techniques in the nuclear field and, at times, has contributed its own safety experience to the program.

Indemnity's safety specialists are working closely with General Dynamics management in order to insure maximum safety in operations throughout the electric boat division. For instance, a question which arose recently at the plant was the problem of noise created by riveting. Such noise is easily combated with ear plugs when the riveting is done out in the open but the problem can become serious when a great many riveting operations are performed inside the hulls of submarines, creating tremendous reverberations. When General Dynamics discussed the problem with Indemnity's safety department, it stepped in immediately and made an extensive survey of noise throughout the entire plant. Results of this study are now being compiled. When complete, the company's safety experts will meet with General Dynamics personnel to discuss the introduction of a "sound" safety program.

General Dynamics has also alerted North America to possible safety problems which may arise in future atomic operations. Studies now under consideration embrace programs arising out of the handling of liquid metals such as liquid sodium and dangers of lead poisoning from lead burning operations.

Texas Adopts Graduated Fire Rates for Dwellings

(CONTINUED FROM PAGE 1)

ated from dwellings and rated higher.

Proponents of the graduated rate plan describe it as a "step in the right direction and a tremendous improvement over the present situation." They also point out that the graduated rating plan is used in other lines of insurance, such as various marine forms and the higher limits in automobile

liability.

Their main reliance, however, is in a brief filed with the Texas board, which includes detailed studies of premiums and losses as related to policy liability. The key table in this exhibit is an extension or application of credible data to the five-year adjusted earned premiums and paid losses on dwellings, which gives the following results:

For the first \$5,000 of all policies the premiums are \$34,248,247 and losses are \$22,452,136, a loss ratio of 66%; for the second \$5,000 of all policies, premiums were \$14,648,652 and losses \$1,951,171, or 13%; for excess of \$10,000 on all policies, premiums were \$4,978,064 and losses \$452,373, or 9%. In the aggregate, premiums were \$53,875,143 and losses \$24,855,680, or 46%.

Schedule N. C. Hearing on Mercantile Block

Commissioner Gold of North Carolina has scheduled a public hearing on April 13 on the mercantile block filing by North Carolina Fire Insurance Rating Bureau and Inland Marine Insurance Bureau.

DENVER INSURER LIQUIDATES

International Indemnity of Denver is in liquidation. Luke J. Kavanaugh, former Colorado commissioner, has been appointed by the company and the department to act as liquidator. Rather than go into receivership, the company voluntarily is liquidating and has, as of March 21, effected cancellation by notice of all its policies. The company upon cessation of business, indicates that its assets are \$877,000, none of which are in real estate or mortgages or notes or any other form of uncollectible collateral. The reason for liquidation is the loss of its quota share reinsurance treaty. All claims and return premiums will be met, President Larry Schwab said.

Dr. Heard to Speak at Chicago

Dr. Llewellyn Heard, research chemist for Standard Oil Co., will give a lecture demonstration on "Fire Magic" before Chicago Society of Fire Protection Engineers, April 4, at the Midland hotel.



Some of the principals of Cleveland Insurance Day, left to right: Will S. Ellis, fire manager of Royal-Liverpool group at Chicago; Arthur M. O'Connell, Cincinnati, executive committee member of National Assn. of Insurance Agents; Jack B. John, president of Insurance Board of Cleveland; Robert B. Maxwell, western special agent of New York Underwriters, Chicago; and Urban M. Lelli, secretary of Phoenix of Hartford in Chicago.



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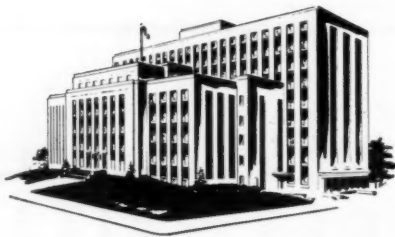
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